



**PART 2A of Form ADV – Brochure**

March 31, 2021

Transamerica Asset Management, Inc.  
1801 California, Suite 5200  
Denver, Colorado 80202  
1-720-482-1500

This brochure provides information about the qualifications and business practices of Transamerica Asset Management, Inc. (“TAM”). If you have any questions about the contents of this brochure, please contact us at 1-720-482-1500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about TAM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration does not imply a certain level of skill or training.

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

---

**Please retain for your records.**

## **Material Changes**

Updates were made to the Fees and Compensation and Methods of Analysis, Investment Strategies and Risk of Loss items in this Brochure. Please refer to those specific items for further information.

## Table of Contents

<i><b>Item</b></i>	<i><b>Page</b></i>
Cover Page	i
Material Changes	ii
Table of Contents	iii
Advisory Business	1
Fees and Compensation	3
Performance-Based Fees and Side-By-Side Management	16
Types of Clients	17
Methods of Analysis, Investment Strategies and Risk of Loss	17
Disciplinary Information	80
Other Financial Industry Activities and Affiliations	81
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	85
Brokerage Practices	85
Review of Accounts	86
Client Referrals and Other Compensation	87
Custody	87
Investment Discretion	88
Voting Client Securities	88
Financial Information	89
Requirements for State-Registered Advisers	89

## Advisory Business

TAM (originally WRL Investment Management, Inc.) was incorporated in Florida in 1996 and has been registered with the SEC as an investment adviser since 1996. SEC registration does not imply a certain level of skill or training. TAM provides investment management services to investment companies that are registered under the U.S. Investment Company Act of 1940, as amended (the “**1940 Act**”), as well as investment advisory services to foreign registered investment companies, unregistered pooled investment vehicles, and an affiliated recordkeeper.

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

## Advisory Services

### *The Fund Complex*

TAM primarily sponsors and provides continuous and regular investment management or investment advisory services to investment companies registered under the 1940 Act in the “**Fund Complex**” consisting of Transamerica Funds (“**TF**”), Transamerica Series Trust (“**TST**”), Transamerica ETF Trust (“**TET**”), and Transamerica Asset Allocation Variable Funds (“**TAAVF**”) (each a “**Fund**” and collectively, the “**Funds**”). TAM supervises each Fund’s investments, conducts its investment program and, with respect to the series of TF, TST and TET, provides supervisory, compliance and administrative services to each of those Funds.

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

TAM is responsible for all aspects of the day-to-day management of TAAVF and certain asset allocation series of TF (Transamerica Asset Allocation Horizon Funds) and TST (Transamerica 60/40 Allocation VP). In managing these Funds, TAM selects the combination and amount of the underlying funds and the relative amounts to be invested in each underlying fund based on the objectives and principal strategies of the asset allocation Funds. TAM is also responsible for all aspects of the day-to-day management of Transamerica Stock Index, a series of TF. For each of the other Funds in the Fund Complex, TAM currently acts as a “manager of managers” and hires sub-advisers to furnish day-to-day investment advice and recommendations. When acting as a manager of managers, TAM provides investment management services that include, without limitation, the design and development of each Fund and its investment strategy and the ongoing review and evaluation of that investment strategy including recommending changes in strategy where it believes appropriate or advisable; the selection of one or more sub-advisers for each Fund employing a combination of quantitative and qualitative screens, research, analysis and due diligence; negotiation of sub-advisory agreements and fees; oversight and monitoring of sub-advisers and recommending changes to sub-advisers where it believes appropriate or advisable; recommending Fund combinations and liquidations where it believes appropriate or advisable; selection and oversight of transition managers, as needed; regular supervision of the Funds’ investments; regular review and evaluation of sub-adviser performance; daily monitoring of the sub-advisers’ buying and selling of securities for the Funds; regular review of holdings; ongoing trade oversight and analysis; regular monitoring to ensure adherence to investment process; regular calls and periodic on-site visits with sub-advisers; portfolio construction and asset allocation when using multiple sub-advisers for a Fund; risk management oversight and analysis; oversight of negotiation of investment documentation and agreements; design, development, implementation and regular monitoring of the valuation process; periodic due diligence reviews of pricing vendors and vendor methodology; design, development, implementation and regular monitoring of the compliance process; respond to regulatory inquiries and determine appropriate litigation strategy, as needed; review of proxies voted by sub-advisers; oversight of preparation, and review, of materials for meetings of the Funds’ Board, participation in these meetings and preparation of regular communications with the Board; oversight of preparation, and review, of prospectuses, shareholder reports and other disclosure materials and regulatory filings for the Funds; oversight of other service providers to the Funds, such as the custodian, the transfer agent, the Funds’ independent accounting firm and legal counsel; supervision of the performance of recordkeeping and shareholder relations functions for the Funds; and oversight of cash management services. TAM uses a variety of quantitative and qualitative tools to carry out its investment management services.

TAM’s investment management services also include the provision of supervisory and administrative services to each series of TF, TST and TET. These services include performing certain administrative services for the Funds and supervising and overseeing the administrative, clerical, recordkeeping and bookkeeping services provided to the Funds by State Street Bank and Trust Company, to whom TAM has outsourced the provision of certain services as described below; to the extent agreed upon by TAM and the Funds from time to time, monitoring and verifying the custodian’s daily calculation of net asset values;

shareholder relations functions; compliance services; valuation services; assisting in due diligence and in oversight and monitoring of certain activities of sub-advisers and certain aspects of Fund investments; assisting with Fund combinations and liquidations; oversight of the preparation and filing, and review, of all returns and reports, in connection with federal, state and local taxes; oversight and review of regulatory reporting; supervising and coordinating the Funds' custodian and dividend disbursing agent and monitoring their services to the Funds; assisting the Funds in preparing reports to shareholders; acting as liaison with the Funds' independent public accountants and providing, upon request, analyses, fiscal year summaries and other audit related services; assisting in the preparation of agendas and supporting documents for and minutes of meetings of the Funds' Board and committees of the Board; assisting in the preparation of regular communications with the Board; and providing personnel and office space, telephones and other office equipment as necessary in order for TAM to perform supervisory and administrative services to the Funds.

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

### ***Undertakings for Collective Investment in Transferable Securities ("UCITS")***

TAM also serves as the investment adviser to AEGON Global Funds, an investment company organized under the laws of Luxembourg that is registered with the Luxembourg *Commission de Surveillance du Secteur Financier* and authorized as a UCITS. AEGON Global Funds has one sub-fund, AEGON International Equity Fund (the "**Sub-Fund**").

### ***Collective Trust***

TAM serves as the investment adviser to a privately-offered pooled investment vehicle, Transamerica Asset Management, Inc. Collective Investment Trust ("**Collective Trust**"), organized as a collective investment trust. For each series of the Collective Trust, TAM tenders non-discretionary investment advice to the trustee of the Collective Trust and recommends one or more underlying series of the Collective Trust, underlying series of TF or, for one series, a third-party collective investment trust fund and the relative amounts to be invested in each underlying series or fund based on the objectives and principal strategies of the particular series. The trustee of the Collective Trust, Massachusetts Fidelity Trust Company ("**MFTC**"), an affiliate of TAM, retains final and complete authority to accept or reject TAM's recommendations.

### ***Investment Scorecard Program***

TAM furnishes investment reviews for an affiliated recordkeeper, Transamerica Retirement Solutions Corporation ("**TRSC**"). TAM reviews the results of quantitative screens performed by TRSC on a limited universe of mutual funds and other investment options for the affiliated recordkeeper using a combination of quantitative and/or qualitative analysis.

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

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

### ***Assets under Management***

TAM currently manages client assets on a discretionary and non-discretionary basis. As of December 31, 2020, TAM managed approximately \$88 billion of client assets on a discretionary basis, and approximately \$941 million of client assets on a non-discretionary basis.

## Fees and Compensation

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

### Fund Complex:

TAM serves as investment manager for each series of TF, TST, TET and TAAVF. TAM provides continuous and regular investment management services to these series.

TF and TST, on behalf of their respective series, have entered into an investment management agreement with TAM pursuant to which investment advisory and administrative services fees are combined under the investment management agreement providing for a single management fee. TAAVF has entered into an investment advisory agreement on behalf of its respective series with TAM.

### *TF and TST*

For the investment management services provided and expenses assumed pursuant to the investment management agreements with TF and TST, TAM receives compensation calculated daily and paid monthly from each respective Fund at the annual rates indicated below (expressed as a percentage of the Fund's average daily net assets). Fees are deducted from Fund assets.

The following are series of TF:

<u>Fund</u>	<u>Management Fee</u>
<b>Transamerica ClearTrack® 2015</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2020</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2025</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2030</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2035</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2040</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2045</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2050</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® 2055</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion

<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica ClearTrack® 2060</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica ClearTrack® Retirement Income</b>	0.38% of the first \$2.5 billion 0.37% over \$2.5 billion up to \$4 billion 0.36% in excess of \$4 billion
<b>Transamerica Asset Allocation – Conservative Portfolio</b>	0.104% of the first \$1 billion 0.0975% over \$1 billion up to \$3 billion 0.0925% over \$3 billion up to \$5 billion 0.085% over \$5 billion up to \$7 billion 0.080% in excess of \$7 billion
<b>Transamerica Asset Allocation – Growth Portfolio</b>	0.104% of the first \$1 billion 0.0975% over \$1 billion up to \$3 billion 0.0925% over \$3 billion up to \$5 billion 0.085% over \$5 billion up to \$7 billion 0.080% in excess of \$7 billion
<b>Transamerica Asset Allocation – Intermediate Horizon</b>	0.12%
<b>Transamerica Asset Allocation – Long Horizon</b>	0.12%
<b>Transamerica Asset Allocation – Moderate Growth Portfolio</b>	0.104% of the first \$1 billion 0.0975% over \$1 billion up to \$3 billion 0.0925% over \$3 billion up to \$5 billion 0.085% over \$5 billion up to \$7 billion 0.080% in excess of \$7 billion
<b>Transamerica Asset Allocation – Moderate Portfolio</b>	0.104% of the first \$1 billion 0.0975% over \$1 billion up to \$3 billion 0.0925% over \$3 billion up to \$5 billion 0.085% over \$5 billion up to \$7 billion 0.080% in excess of \$7 billion
<b>Transamerica Asset Allocation – Short Horizon</b>	0.12%
<b>Transamerica Balanced II</b>	0.48%
<b>Transamerica Bond</b>	0.41% of the first \$500 million 0.39% over \$500 million up to \$1 billion 0.38% over \$1 billion up to \$1.5 billion 0.375% in excess of \$1.5 billion
<b>Transamerica Capital Growth</b>	0.7075% of the first \$1.5 billion 0.6415% over \$1.5 billion up to \$3 billion 0.63% over \$3 billion up to \$5 billion 0.58% in excess of \$5 billion
<b>Transamerica Core Bond</b>	0.45% of the first \$750 million 0.39% over \$750 million up to \$1 billion 0.375% over \$1 billion up to \$1.5 billion 0.37% over \$1.5 billion up to \$3 billion 0.365% in excess of \$3 billion

<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica Dynamic Income<sup>1</sup></b>	0.50% of the first \$500 million 0.49% over \$500 million up to \$1 billion 0.48% over \$1 billion up to \$1.5 billion 0.47% over \$1.5 billion up to \$2 billion 0.46% over \$2 billion up to \$2.5 billion 0.45% in excess of \$2.5 billion
<b>Transamerica Emerging Markets Debt</b>	0.63% of the first \$400 million 0.61% in excess of \$400 million
<b>Transamerica Emerging Markets Opportunities</b>	0.83% of the first \$250 million 0.80% over \$250 million up to \$500 million 0.75% in excess of \$500 million
<b>Transamerica Event Driven</b>	1.25% of the first \$50 million 1.13% over \$50 million up to \$300 million 1.08% over \$300 million up to \$750 million 1.055% in excess of \$750 million
<b>Transamerica Floating Rate</b>	0.64% of the first \$1 billion 0.62% over \$1 billion up to \$1.5 billion 0.60% over \$1.5 billion up to \$2 billion 0.59% in excess of \$2 billion
<b>Transamerica Global Equity</b>	0.79% of the first \$250 million 0.74% over \$250 million up to \$1 billion 0.73% over \$1 billion up to \$2 billion 0.70% in excess of \$2 billion
<b>Transamerica Government Money Market<sup>2</sup></b>	0.24% of the first \$1 billion 0.22% over \$1 billion to \$3 billion 0.21% in excess of \$3 billion
<b>Transamerica High Quality Bond</b>	0.38%
<b>Transamerica High Yield Bond</b>	0.554% of the first \$1.25 billion 0.544% over \$1.25 billion up to \$2 billion 0.52% in excess of \$2 billion
<b>Transamerica High Yield ESG</b>	0.554% of the first \$1.25 billion 0.544% over \$1.25 billion up to \$2 billion 0.52% in excess of \$2 billion
<b>Transamerica High Yield Muni</b>	0.54% of the first \$500 million 0.53% over \$500 million up to \$1 billion 0.50% in excess of \$1 billion
<b>Transamerica Inflation Opportunities</b>	0.49% of the first \$250 million 0.43% over \$250 million up to \$1 billion 0.38% in excess of \$1 billion
<b>Transamerica Inflation-Protected Securities<sup>3</sup></b>	0.38%

<sup>1</sup> The Board of Trustees has approved a reorganization pursuant to which the assets of Transamerica Dynamic Income (the “Target Fund”) would be acquired, and its liabilities would be assumed, by Transamerica Multi-Asset Income (the “Acquiring Fund”), subject to shareholder approval. If the reorganization is approved by Target Fund shareholders and other closing conditions are satisfied, it is expected that the reorganization would occur on April 15, 2021. Effective on or about April 8, 2021, the Target Fund will be closed to all investments.

<sup>2</sup> Effective at the close of business on March 31, 2021, Transamerica Government Money Market (the “Fund”) will be closed to most new investors. The Fund will remain closed until further notice.

<sup>3</sup> Effective July 2, 2018, PineBridge Investments LLC (“PineBridge”), the sub-adviser for Transamerica Inflation-Protected Securities, agreed to voluntarily waive a portion of its sub-advisory fee (as a percentage of daily net assets). Effective July 2, 2018, TAM has agreed to



<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica Intermediate Bond</b>	0.38% of the first \$2 billion 0.365% over \$2 billion up to \$3.5 billion 0.36% over \$3.5 billion up to \$5 billion 0.355% in excess of \$5 billion
<b>Transamerica Intermediate Muni</b>	0.47% of the first \$150 million 0.45% over \$150 million up to \$350 million 0.44% over \$350 million up to \$650 million 0.42% over \$650 million up to \$1 billion 0.39% over \$1 billion up to \$2 billion 0.3875% over \$2 billion up to \$3 billion 0.3825% in excess of \$3 billion
<b>Transamerica International Equity</b>	0.77% of the first \$500 million 0.75% over \$500 million up to \$1 billion 0.72% over \$1 billion up to \$2 billion 0.69% over \$2 billion up to \$6 billion 0.68% in excess of \$6 billion
<b>Transamerica International Growth</b>	0.77% of the first \$500 million 0.76% over \$500 million up to \$1 billion 0.71% over \$1 billion up to \$2 billion 0.695% over \$2 billion up to \$3 billion 0.68% in excess of \$3 billion
<b>Transamerica International Small Cap Value</b>	0.955% of the first \$300 million 0.93% over \$300 million up to \$750 million 0.88% over \$750 million up to \$1 billion 0.84% in excess of \$1 billion
<b>Transamerica International Stock</b>	0.70% of the first \$500 million 0.68% over \$500 million up to \$1 billion 0.67% over \$1 billion up to \$2 billion 0.64% over \$2 billion up to \$3 billion 0.63% in excess of \$3 billion
<b>Transamerica Large Cap Value</b>	0.594% of the first \$1 billion 0.58% over \$1 billion up to \$2 billion 0.56% over \$2 billion up to \$3 billion 0.54% in excess of \$3 billion
<b>Transamerica Large Core</b>	0.45% of the first \$250 million 0.44% over \$250 million up to \$750 million 0.43% in excess of \$750 million
<b>Transamerica Large Growth</b>	0.65% of the first \$1 billion 0.635% over \$1 billion up to \$1.5 billion 0.615% over \$1.5 billion up to \$2 billion 0.605% over \$2 billion up to \$3 billion 0.59% over \$3 billion up to \$4 billion 0.575% over \$4 billion up to \$5 billion 0.57% in excess of \$5 billion
<b>Transamerica Large Value Opportunities</b>	0.45% of the first \$250 million 0.44% over \$250 million up to \$750 million 0.43% in excess of \$750 million

voluntarily waive its management fee in an amount equal to any savings resulting from PineBridge's voluntary waiver of its sub-advisory fee. These waivers by PineBridge and TAM are voluntary. PineBridge's sub-advisory fee waiver may be discontinued by PineBridge upon obtaining consent from TAM.

<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica Mid Cap Growth</b>	0.705% of the first \$200 million 0.685% over \$200 million up to \$1 billion 0.670% in excess of \$1 billion
<b>Transamerica Mid Cap Value</b>	0.88% of the first \$100 million 0.83% over \$100 million up to \$750 million 0.81% over \$750 million up to \$1.5 billion 0.80% in excess of \$1.5 billion
<b>Transamerica Mid Cap Value Opportunities</b>	0.70% of the first \$750 million 0.695% over \$750 million up to \$1.5 billion 0.685% over \$1.5 billion up to \$2 billion 0.6775% in excess of \$2 billion
<b>Transamerica MLP &amp; Energy Income<sup>4</sup></b>	1.13% of the first \$250 million 1.08% over \$250 million up to \$500 million 1.01% over \$500 million up to \$1 billion 0.91% over \$1 billion up to \$2 billion 0.85% in excess of \$2 billion
<b>Transamerica Multi-Asset Income</b>	0.574% of the first \$500 million 0.57% over \$500 million up to \$1 billion 0.545% over \$1 billion up to \$1.5 billion 0.535% over \$1.5 billion up to \$2 billion 0.515% in excess of \$2 billion
<b>Transamerica Multi-Managed Balanced</b>	0.61% of the first \$500 million 0.59% over \$500 million up to \$1 billion 0.56% over \$1 billion up to \$1.5 billion 0.55% over \$1.5 billion up to \$2 billion 0.52% over \$2 billion up to \$5 billion 0.50% in excess of \$5 billion
<b>Transamerica Short-Term Bond</b>	0.42% of the first \$250 million 0.39% over \$250 million up to \$500 million 0.37% over \$500 million up to \$1 billion 0.36% in excess of \$1 billion
<b>Transamerica Small Cap Growth</b>	0.87% of the first \$300 million 0.83% in excess of \$300 million
<b>Transamerica Small Cap Value</b>	0.80% of the first \$300 million 0.75% over \$300 million up to \$800 million 0.71% in excess of \$800 million
<b>Transamerica Small/Mid Cap Value</b>	0.79% of the first \$350 million 0.78% over \$350 million up to \$500 million 0.765% over \$500 million up to \$750 million 0.755% over \$750 million up to \$1 billion 0.735% over \$1 billion up to \$1.5 billion 0.73% over \$1.5 billion up to \$2 billion 0.725% in excess of \$2 billion
<b>Transamerica Stock Index</b>	0.07%

<sup>4</sup> Effective June 1, 2021, Transamerica MLP & Energy Income will have a lower management fee schedule as follows: 1.054% of the first \$250 million; 1.04% over \$250 million up to \$500 million; 0.96% over \$500 million up to \$1 billion; 0.85% over \$1 billion up to \$2 billion and 0.80% in excess of \$2 billion.

<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica Sustainable Bond</b>	0.41% of the first \$500 million 0.39% over \$500 million up to \$1 billion 0.38% over \$1 billion up to \$1.5 billion 0.375% in excess of \$1.5 billion
<b>Transamerica Sustainable Equity Income (formerly Transamerica Dividend Focused)</b>	0.663% of the first \$500 million 0.58% over \$500 million up to \$1 billion 0.55% over \$1 billion up to \$1.5 billion 0.53% in excess of \$1.5 billion
<b>Transamerica Total Return</b>	0.68% of the first \$250 million 0.67% over \$250 million up to \$500 million 0.66% over \$500 million up to \$750 million 0.63% over \$750 million up to \$1 billion 0.60% over \$1 billion up to \$3 billion 0.57% in excess of \$3 billion
<b>Transamerica Unconstrained Bond<sup>5</sup></b>	0.65% of the first \$500 million 0.64% over \$500 million up to \$1 billion 0.62% over \$1 billion up to \$2 billion 0.61% in excess of \$2 billion
<b>Transamerica US Growth</b>	0.68% of the first \$500 million 0.67% over \$500 million up to \$800 million 0.6575% over \$800 million up to \$1 billion 0.613% over \$1 billion up to \$2 billion 0.605% over \$2 billion up to \$3 billion 0.59% over \$3 billion up to \$4 billion 0.575% over \$4 billion up to \$5 billion 0.57% in excess of \$5 billion

---

The following are series of TST:

<b><u>Fund</u></b>	<b><u>Management Fee</u></b>
<b>Transamerica 60/40 Allocation VP<sup>6</sup></b>	0.30% of the first \$1 billion 0.28% in excess of \$1 billion
<b>Transamerica Aegon High Yield Bond VP</b>	0.554% of the first \$1.25 billion 0.544% over \$1.25 billion to \$2 billion 0.52% in excess of \$2 billion
<b>Transamerica Aegon Sustainable Equity Income VP (formerly Transamerica Barrow Hanley Dividend Focused VP)</b>	0.663% of the first \$500 million 0.58% over \$500 million up to \$1 billion 0.55% over \$1 billion up to \$1.5 billion 0.53% in excess of \$1.5 billion

---

<sup>5</sup> Effective July 2, 2018, PineBridge Investments LLC (“PineBridge”), the sub-adviser for Transamerica Unconstrained Bond, agreed to voluntarily waive a portion of its sub-advisory fee (as a percentage of daily nets assets). Effective July 2, 2018, TAM has agreed to voluntarily waive its management fee in an amount equal to any savings resulting from PineBridge’s voluntary waiver of its sub-advisory fee. These waivers by PineBridge and TAM are voluntary. PineBridge’s sub-advisory fee waiver may be discontinued by PineBridge upon obtaining consent from TAM.

<sup>6</sup> TAM has contractually agreed to waive 0.18% of its management fee through May 1, 2022.

<b>Transamerica Aegon U.S. Government Securities VP</b>	0.55% of the first \$500 million 0.51% over \$500 million up to \$1.5 billion 0.50% in excess of \$1.5 billion
<b>Transamerica American Funds Managed Risk VP</b>	0.53% of the first \$2 billion 0.52% over \$2 billion up to \$4 billion 0.50% over \$4 billion up to \$6 billion 0.49% over \$6 billion up to \$8 billion 0.48% over \$8 billion up to \$10 billion 0.46% in excess of \$10 billion
<b>Transamerica BlackRock Global Real Estate Securities VP</b>	0.77% of the first \$250 million 0.75% over \$250 million up to \$500 million 0.70% over \$500 million up to \$750 million 0.68% in excess of \$750 million
<b>Transamerica BlackRock Government Money Market VP</b>	0.24% of the first \$1 billion 0.22% over \$1 billion up to \$3 billion 0.21% in excess of \$3 billion
<b>Transamerica BlackRock iShares Edge 40 VP<sup>7</sup></b>	0.30% of the first \$1 billion 0.28% in excess of \$1 billion
<b>Transamerica BlackRock iShares Edge 50 VP<sup>7</sup></b>	0.30% of the first \$1 billion 0.28% in excess of \$1 billion
<b>Transamerica BlackRock iShares Edge75 VP<sup>7</sup></b>	0.30% of the first \$1 billion 0.28% in excess of \$1 billion
<b>Transamerica BlackRock iShares Edge 100 VP<sup>7</sup></b>	0.30% of the first \$1 billion 0.28% in excess of \$1 billion
<b>Transamerica BlackRock Tactical Allocation VP<sup>7</sup></b>	0.13% of the first \$1 billion 0.11% over \$1 billion up to \$2 billion 0.105% over \$2 billion up to \$3 billion 0.10% in excess of \$3 billion
<b>Transamerica Goldman Sachs 70/30 Allocation VP</b>	0.104% of the first \$1 billion 0.0975% over \$1 billion up to \$3 billion 0.0925% over \$3 billion up to \$5 billion 0.085% over \$5 billion up to \$7 billion 0.080% in excess of \$7 billion
<b>Transamerica International Growth VP</b>	0.77% of the first \$500 million 0.76% over \$500 million up to \$1 billion 0.71% over \$1 billion up to \$2 billion 0.695% over \$2 billion up to \$3 billion 0.68% in excess of \$3 billion
<b>Transamerica Janus Balanced VP</b>	0.76% of the first \$250 million 0.73% over \$250 million up to \$500 million 0.705 over \$500 million up to \$1 billion 0.68% in excess of \$1 billion
<b>Transamerica Janus Mid-Cap Growth VP</b>	0.805% of the first \$500 million 0.77% over \$500 million up to \$1 billion 0.75% in excess of \$1 billion
<b>Transamerica JPMorgan Asset Allocation – Conservative VP</b>	0.1225% of the first \$10 billion 0.1025% in excess of \$10 billion
<b>Transamerica JPMorgan Asset Allocation – Growth VP</b>	0.1225% of the first \$10 billion

<sup>7</sup> TAM has contractually agreed to waive 0.05% of its management fee through May 1, 2022.

	0.1025% in excess of \$10 billion
<b>Transamerica JPMorgan Asset Allocation – Moderate Growth VP</b>	0.1225% of the first \$10 billion 0.1025% in excess of \$10 billion
<b>Transamerica JPMorgan Asset Allocation – Moderate VP</b>	0.1225% of the first \$10 billion 0.1025% in excess of \$10 billion
<b>Transamerica JPMorgan Core Bond VP</b>	0.45% of the first \$750 million 0.39% over \$750 million up to \$1 billion 0.375% over \$1 billion up to \$1.5 billion 0.37% over \$1.5 billion up to \$3 billion 0.365% in excess of \$3 billion
<b>Transamerica JPMorgan Enhanced Index VP</b>	0.60% of the first \$1 billion 0.59% over \$1 billion up to \$2 billion 0.56% over \$2 billion up to \$3 billion 0.52% over \$3 billion up to \$4 billion 0.46% in excess of \$4 billion
<b>Transamerica JPMorgan International Moderate Growth VP</b>	0.1225% of the first \$10 billion 0.1025% in excess of \$10 billion
<b>Transamerica JPMorgan Mid Cap Value VP</b>	0.88% up to \$100 million 0.83% over \$100 million up to \$750 million 0.81% over \$750 million up to \$1.5 billion 0.80% in excess of \$1.5 billion
<b>Transamerica JPMorgan Tactical Allocation VP</b>	0.73% of the first \$500 million 0.705% over \$500 million up to \$750 million 0.68% over \$750 million up to \$1.5 billion 0.67% over \$1.5 billion up to \$2.5 billion 0.65% in excess of \$2.5 billion
<b>Transamerica Legg Mason Dynamic Allocation – Balanced VP</b>	0.57% of the first \$750 million 0.56% over \$750 million up to \$1.5 billion 0.54% over \$1.5 billion up to \$2.5 billion 0.52% over \$2.5 billion up to \$3 billion 0.51% in excess of \$3 billion
<b>Transamerica Legg Mason Dynamic Allocation – Growth VP</b>	0.58% of the first \$750 million 0.57% over \$750 million up to \$1.5 billion 0.55% over \$1.5 billion up to \$2.5 billion 0.53% over \$2.5 billion up to \$3 billion 0.52% in excess of \$3 billion
<b>Transamerica Madison Diversified Income VP</b>	0.73% of the first \$500 million 0.70% over \$500 million up to \$1 billion 0.68% in excess of \$1 billion
<b>Transamerica Managed Risk – Balanced ETF VP</b>	0.34% of the first \$50 million 0.32% over \$50 million up to \$250 million 0.30% in excess of \$250 million
<b>Transamerica Managed Risk – Conservative ETF VP</b>	0.34% of the first \$50 million 0.32% over \$50 million up to \$250 million 0.30% in excess of \$250 million
<b>Transamerica Managed Risk – Growth ETF VP</b>	0.34% of the first \$50 million 0.32% over \$50 million up to \$250 million 0.30% in excess of \$250 million
<b>Transamerica Market Participation Strategy VP</b>	0.68% of the first \$500 million 0.65% over \$500 million up to \$1 billion

	0.62% over \$1 billion up to \$1.5 billion 0.60% in excess of \$1.5 billion
<b>Transamerica Morgan Stanley Capital Growth VP</b>	0.755% of the first \$750 million 0.715% over \$750 million up to \$1.5 billion 0.645% over \$1.5 billion up to \$3 billion 0.63% over \$3 billion up to \$5 billion 0.58% in excess of \$5 billion
<b>Transamerica Morgan Stanley Global Allocation VP</b>	0.66% of the first \$500 million 0.65% over \$500 million up to \$750 million 0.64% over \$750 million up to \$1 billion 0.63% over \$1 billion up to \$3 billion 0.59% in excess of \$3 billion
<b>Transamerica Morgan Stanley Global Allocation Managed Risk – Balanced VP</b>	0.20% of the first \$2 billion 0.19% over \$2 billion up to \$4 billion 0.18% over \$4 billion up to \$6 billion 0.17% over \$6 billion up to \$8 billion 0.16% over \$8 billion up to \$10 billion 0.15% in excess of \$10 billion
<b>Transamerica MSCI EAFE Index VP</b>	0.11%
<b>Transamerica Multi-Managed Balanced VP</b>	0.61% of the first \$500 million 0.59% over \$500 million up to \$1 billion 0.56% over \$1 billion up to \$1.5 billion 0.55% over \$1.5 billion up to \$2 billion 0.52% over \$2 billion up to \$5 billion 0.50% in excess of \$5 billion
<b>Transamerica PIMCO Tactical – Balanced VP</b>	0.81% of the first \$250 million 0.80% over \$250 million up to \$750 million 0.79% over \$750 million up to \$1.5 billion 0.76% in excess of \$1.5 billion
<b>Transamerica PIMCO Tactical – Conservative VP</b>	0.79% of the first \$750 million 0.78% over \$750 million up to \$1.5 billion 0.75% in excess of \$1.5 billion
<b>Transamerica PIMCO Tactical – Growth VP</b>	0.82% of the first \$250 million 0.81% over \$250 million up to \$750 million 0.79% over \$750 million up to \$1.5 billion 0.76% in excess of \$1.5 billion
<b>Transamerica PIMCO Total Return VP</b>	0.68% of the first \$250 million 0.67% over \$250 million up to \$500 million 0.66% over \$500 million up to \$750 million 0.63% over \$750 million up to \$1 billion 0.60% over \$1 billion up to \$3 billion 0.57% in excess of \$3 billion
<b>Transamerica PineBridge Inflation Opportunities VP</b>	0.49% of the first \$250 million 0.43% over \$250 million up to \$1 billion 0.38% in excess of \$1 billion
<b>Transamerica ProFund UltraBear VP</b>	0.88% of the first \$250 million 0.83% over \$250 million up to \$750 million 0.78% in excess of \$750 million
<b>Transamerica QS Investors Active Asset Allocation – Conservative VP</b>	0.58% of the first \$50 million 0.56% over \$50 million up to \$250 million

	0.54% over \$250 million up to \$1 billion 0.52% over \$1 billion up to \$1.5 billion 0.51% over \$1.5 billion up to \$2.5 billion 0.50% in excess of \$2.5 billion
<b>Transamerica QS Investors Active Asset Allocation – Moderate Growth VP</b>	0.58% of the first \$50 million 0.56% over \$50 million up to \$250 million 0.54% over \$250 million up to \$1 billion 0.52% over \$1 billion up to \$1.5 billion 0.51% over \$1.5 billion up to \$2.5 billion 0.50% in excess of \$2.5 billion
<b>Transamerica QS Investors Active Asset Allocation – Moderate VP</b>	0.58% of the first \$50 million 0.56% over \$50 million up to \$250 million 0.54% over \$250 million up to \$1 billion 0.52% over \$1 billion up to \$1.5 billion 0.51% over \$1.5 billion up to \$2.5 billion 0.50% in excess of \$2.5 billion
<b>Transamerica Rothschild &amp; Co Large Cap Value VP</b>	0.594% of the first \$1 billion 0.58% over \$1 billion up to \$2 billion 0.56% over \$2 billion up to \$3 billion 0.54% in excess of \$3 billion
<b>Transamerica S&amp;P 500 Index VP (formerly Transamerica U.S. Equity Index VP)</b>	0.08%
<b>Transamerica Small/Mid Cap Value VP</b>	0.79% of the first \$350 million 0.78% over \$350 million up to \$500 million 0.765% over \$500 million up to \$750 million 0.755% over \$750 million up to \$1 billion 0.735% over \$1 billion up to \$1.5 billion 0.73% over \$1.5 billion up to \$2 billion 0.725% in excess of \$2 billion
<b>Transamerica T. Rowe Price Small Cap VP</b>	0.78%
<b>Transamerica TS&amp;W International Equity VP</b>	0.77% of the first \$500 million 0.75% over \$500 million up to \$1 billion 0.72% over \$1 billion up to \$2 billion 0.69% over \$2 billion up to \$6 billion 0.68% in excess of \$6 billion
<b>Transamerica WMC US Growth VP</b>	0.68% of the first \$500 million 0.67% over \$500 million up to \$800 million 0.6575% over \$800 million up to \$1 billion 0.613% over \$1 billion up to \$2 billion 0.605% over \$2 billion up to \$3 billion 0.59% over \$3 billion up to \$4 billion 0.575% over \$4 billion up to \$5 billion 0.57% in excess of \$5 billion

### ***TET***

TAM receives compensation calculated daily and paid monthly from each series of TET at the annual rates indicated below (expressed as a percentage of the Fund's average daily net assets). Fees are deducted from Fund assets. Pursuant to the terms of the investment management agreement with each series, TAM has agreed to pay all expenses of each series of TET, subject to certain exceptions as described in the statement of additional information for the series under the heading "Management Agreement."

The following are series of TET:

<b>Fund Name</b>	<b>Percentage of Average Daily Net Assets</b>
DeltaShares S&P 400 Managed Risk ETF	0.45%
DeltaShares S&P 500 Managed Risk ETF	0.35%
DeltaShares S&P 600 Managed Risk ETF	0.45%
DeltaShares S&P International Managed Risk ETF	0.50%
DeltaShares S&P EM 100 & Managed Risk ETF	0.60%

### ***TAAVF***

For the investment management services provided and expenses assumed pursuant to the investment advisory agreement with Transamerica Financial Life Insurance Company (“**TFLIC**”) with respect to the TAAVF Subaccounts, TAM receives compensation calculated daily and paid monthly from each respective Subaccount at the annual rates indicated below (expressed as a percentage of the Subaccount’s average daily net assets). Fees are deducted from Subaccount assets.

Transamerica Asset Allocation Intermediate Horizon Subaccount: 0.20%.

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

Transamerica Asset Allocation Short Horizon Subaccount: 0.20%.



### ***UCITS/Sub-Fund***

The following chart lists the Sub-Fund of AEGON Global Funds (UCITS) and the maximum investment advisory fees payable to TAM by each share class of the Sub-Fund:

<b>Sub-Fund</b>	<b>Class A</b>	<b>Class N</b>	<b>Class I</b>	<b>Class X</b>	<b>Class M</b>	<b>Class Z</b>
AEGON International Equity Fund	0.85%	0.90%	0.80%	Negotiated	0.80%	0.85%

The Sub-Fund's offering and subscription documents describe the fees that apply to investors. From time to time, where permitted by law, TAM may agree to rebate a portion of the advisory fees or other fund expenses to certain investors in the Sub-Fund. These rebates may be made by purchasing additional shares of the Sub-Fund or as a refund payment to the investor.

### ***Collective Trust***

TAM currently receives no advisory fee for serving as investment adviser to the Collective Trust. TAM serves as the investment manager to the underlying series of TF in which certain series of the Collective Trust invest, and receives fees for such services from those underlying series.

### ***Investment Scorecard Program***

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

### **Additional Information Regarding the Fund Complex**

The Funds in TF, TST and TAAVF also pay certain other fees and expenses, including transfer agent fees, custodian fees, legal and audit expenses and various other fees and expenses applicable to the Funds or, as applicable, their respective share classes. Certain share classes of those Funds pay Rule 12b-1 distribution and service fees. Certain Funds that invest in other funds bear a pro rata portion of the operating expenses of the underlying funds in which such Funds invest.

For TET, pursuant to the investment management agreement, TAM has agreed to pay all expenses of the series of TET, except for: (i) brokerage expenses and other fees, charges, taxes, levies or expenses (such as stamp taxes) incurred in connection with the execution of portfolio transactions or in connection with creation and redemption transactions (including without limitation any fees, charges, taxes, levies or expenses related to the purchase or sale of an amount of any currency, or the patriation or repatriation of any security or other asset, related to the execution of portfolio transactions or any creation or redemption transactions); (ii) legal fees or expenses in connection with any arbitration, litigation or pending or threatened arbitration or litigation, including any settlements in connection therewith; (iii) compensation and expenses of the Independent Trustees and the compensation and expenses of the TET's interested Trustees who are not directors, officers or employees of TAM, a sub-adviser or principal underwriter, or affiliate of any of the foregoing; (iv) compensation and expenses of any counsel to the Independent Trustees, (v) compensation and expenses of TET's chief compliance officer; (vi) extraordinary expenses as may arise, including, without limitation, expenses relating to TET's or a series' obligation to indemnify others; (vii) distribution fees and expenses paid by TET under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act; (viii) interest and taxes of any kind or nature (including, but not limited to, income, excise, transfer and withholding taxes) and any governmental fees levied against TET or a series; (ix) any fees and expense related to the provision of securities lending services; (x) costs, including interest expenses and loan commitment fees, of borrowing money; and (xi) the management fee payable to TAM.

Certain share classes of the Funds in TF pay sub-transfer agency fees directly to financial intermediaries (including affiliates of TAM) that provide sub-transfer agency, recordkeeping and/or shareholder services with respect to certain shareholder accounts in lieu of the Funds' transfer agent, Transamerica Funds Services, Inc. ("TFS"), providing such services. Other share classes of the Funds in TF do not pay sub-transfer agency fees directly, but, TFS may use its available resources to pay for sub-transfer agency services for any share class of the Funds in TF, including those share classes that pay sub-transfer agency fees directly.

Each sub-adviser to a Fund may contractually or voluntarily waive a portion of its sub-advisory fee. To the extent any waiver is made and not passed along by TAM to Fund shareholders through a corresponding management fee waiver, TAM will be able to retain a larger portion of its management fee. TAM may use such amounts to pay its obligation under any applicable expense limitation agreement. In such cases, the sub-adviser would effectively be assisting TAM in meeting its obligation under such

expense limitation agreement. Each Fund's Board of Trustees reviews and evaluates management, advisory and sub-advisory fees and considers any fee waivers and/or expense reimbursements in connection with its annual review of the applicable investment management, investment advisory and investment sub-advisory agreements.

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

TAM and its affiliates, directors, officers, employees and personnel (collectively, for purposes of this sub-section, "**Transamerica**"), including the entities and personnel who may be involved in the management, operations or distribution of the Funds, are engaged in a variety of businesses and have interests other than those related to managing the Funds. The broad range of activities and interests of Transamerica gives rise to actual, potential and perceived conflicts of interest that could affect the Funds and their shareholders. A discussion of conflicts of interests appears under the heading "Other Financial Industry Activities and Affiliations" below. These discussions are not, and not intended to be, a complete enumeration or description of all the actual and potential conflicts that may arise.

### ***Distribution and Service Arrangements***

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

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

TCI (in connection with, or in addition to, wholesaling services), TAM and Fund sub-advisers, directly or through TCI, out of their past profits and other available sources, typically provide cash payments or non-cash compensation to affiliated (TFA) and unaffiliated brokers and other financial intermediaries who have sold shares of the Funds, promote the distribution of the Funds or render investor services to Fund shareholders. Such payments and compensation are in addition to the sales charges, Rule 12b-1 Plan fees, service fees and other fees that may be paid, directly or indirectly, to such brokers and other financial intermediaries. These arrangements are sometimes referred to as "revenue sharing" arrangements. The amount of revenue sharing payments is substantial, may be substantial to any given recipient and may exceed the costs and expenses incurred by the recipient for any fund-related distribution or shareholder servicing activities. The presence of these payments and the basis on which an intermediary compensates its registered representatives or salespersons may create an incentive for a particular intermediary, registered representative or salesperson to highlight, feature or recommend the Funds, at least in part, based on the level of compensation paid. Revenue sharing arrangements are separately negotiated. Revenue sharing payments are not an additional charge to the Funds.

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

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

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

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

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

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

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

Shareholders may obtain more information about these arrangements, including the conflicts of interests that such arrangements may create, from their brokers and other financial intermediaries, and should so inquire if they would like additional information. A shareholder may ask his/her broker or financial intermediary how he/she will be compensated for investments made in the Funds. Revenue sharing payments, as well as payments under the shareholder services and distribution plan (where applicable), also benefit TAM, TCI and their affiliates and Fund sub-advisers to the extent the payments result in more assets being invested in the Funds on which fees are being charged.

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

#### **Additional Information Regarding the UCITS/Sub-Fund**

In addition to advisory fees, the Sub-Fund also pays certain other fees and expenses, including depositary fees, custodian fees, and administration fees.

TAM, TCI, the Sub-Fund's principal distributor, and their affiliates may pay a portion of their fees or other assets to third-party entities (in particular advisers, sub-distributors and service providers) that assist TAM or TCI in the performance of their duties (including in connection with the sale of shares of the Sub-Fund) or provide services, directly or indirectly, to the Sub-Fund or its investors. In return for these payments, the Sub-Fund may receive certain marketing or servicing advantages including, without limitation, providing "shelf space" for the placement of the Sub-Fund as investment options to a financial intermediary's clients, and granting access to sales personnel of the intermediary. The fees of TCI, as principal distributor, are borne by TAM, unless otherwise provided for in the relevant offering document for the Sub-Fund. Additionally, TAM may, at its discretion, contribute from its own assets towards the expenses attributable to the establishment and/or operation of AEGON Global Funds (or the Sub-Fund) and/or the marketing, distribution and/or sale of shares of the Sub-Fund. TAM may, from time to time, waive any or all of its fees with respect to certain share classes of the Sub-Fund or use part of its advisory fee to remunerate certain financial intermediaries.

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

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

## **Types of Clients**

As discussed in “Advisory Business” above, TAM provides investment management and investment advisory services to investment companies registered under the 1940 Act. TAM also provides investment advisory services to foreign registered investment companies, privately-offered pooled investment vehicles, and an affiliated recordkeeper.

Certain Funds and the share classes of certain Funds have minimum initial and subsequent investment amounts. Certain Funds and the share classes of certain Funds also require minimum account balances. These amounts are set forth in the Funds’ current prospectuses.

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

### ***Fund Complex***

As discussed under “Advisory Business” above, TAM serves as investment manager or investment adviser to each of the Funds in the Fund Complex. TAM provides continuous and regular investment management or investment advisory services to the Funds. TAM supervises each Fund’s investments, conducts its investment program and, for the series of TF, TST and TET, provides supervisory, compliance and administrative services to those Funds. Each Fund in the Fund Complex managed or advised by TAM as of the date of this Brochure is listed in the “Fees and Compensation” section of this Brochure.

As discussed under “Advisory Services” above, TAM currently renders “manager of managers” investment management services to most Funds in the Fund Complex and hires sub-advisers to furnish investment advice and recommendations and has entered into a sub-advisory agreement with the applicable Funds’ sub-advisers. TAM is responsible for the day-to-day management of certain asset allocation series of TF and TST. TAM is also responsible for all aspects of the day-to-day management of Transamerica Stock Index, a series of TF, and TAAVF.

When acting as a manager of managers, TAM provides investment management services that include, without limitation, the design and development of each Fund and its investment strategy and the ongoing review and evaluation of that investment strategy including recommending changes in strategy where it believes appropriate or advisable; the selection of one or more sub-advisers for each Fund employing a combination of quantitative and qualitative screens, research, analysis and due diligence; negotiation of sub-advisory agreements and fees; oversight and monitoring of sub-advisers and recommending changes to sub-advisers where it believes appropriate or advisable; recommending Fund combinations and liquidations where it believes appropriate or advisable; selection and oversight of transition managers, as needed; regular supervision of the Funds’ investments; regular review and evaluation of sub-adviser performance; daily monitoring of the sub-advisers’ buying and selling of securities for the Funds; regular review of holdings; ongoing trade oversight and analysis; regular monitoring to ensure adherence to investment process; regular calls and periodic on-site visits with sub-advisers; portfolio construction and asset allocation when using multiple sub-advisers for a Fund; risk management oversight and analysis; oversight of negotiation of investment documentation and agreements; design, development, implementation and regular monitoring of the valuation process; periodic due diligence reviews of pricing vendors and vendor methodology; design, development, implementation and regular monitoring of the compliance process; respond to regulatory inquiries and determine appropriate litigation strategy, as needed; review of proxies voted by sub-advisers; oversight of preparation, and review, of materials for meetings of the Funds’ Board, participation in these meetings and preparation of regular communications with the Board; oversight of preparation, and review, of prospectuses, shareholder reports and other disclosure materials and regulatory filings for the Funds; oversight of other service providers to the Funds, such as the custodian, the transfer agent, the Funds’ independent accounting firm and legal counsel; supervision of the performance of recordkeeping and shareholder relations functions for the Funds; and oversight of cash management services. TAM uses a variety of quantitative and qualitative tools to carry out its investment management services. TAM, not the Funds, is responsible for paying the sub-advisers, and the sub-advisory fees are TAM’s expense.

As discussed under “Fees and Compensation” above, TAM’s investment management services also include the provision of supervisory and administrative services to each series of TF, TST and TET. These services include performing certain administrative services for the Funds and supervising and overseeing the administrative, clerical, recordkeeping and bookkeeping services provided to the Funds by State Street Bank and Trust Company, to whom TAM has outsourced the provision of certain services as described below; to the extent agreed upon by TAM and the Funds from time to time, monitoring and verifying the custodian’s daily calculation of net asset values; shareholder relations functions; compliance services; valuation services; assisting in due diligence and in oversight and monitoring of certain activities of sub-advisers and certain aspects of Fund investments; assisting with Fund combinations and liquidations; oversight of the preparation and filing, and review, of all returns and reports, in connection with federal, state and local taxes; oversight and review of regulatory reporting; supervising and

coordinating the Funds' custodian and dividend disbursing agent and monitoring their services to the Funds; assisting the Funds in preparing reports to shareholders; acting as liaison with the Funds' independent public accountants and providing, upon request, analyses, fiscal year summaries and other audit related services; assisting in the preparation of agendas and supporting documents for and minutes of meetings of the Funds' Board and committees of the Board; assisting in the preparation of regular communications with the Board; and providing personnel and office space, telephones and other office equipment as necessary in order for TAM to perform supervisory and administrative services to the Funds. Prior to March 1, 2016, TFS provided administrative services to each series of TF and TST.

### ***Transamerica Asset Allocation Horizon Funds***

TAM is currently responsible for the day-to-day management of the Transamerica Asset Allocation Horizon Funds (the “**Asset Allocation Funds**”) which are each a series of TF. The Asset Allocation Funds each invest in a combination of underlying series of TF (for purposes of this sub-section, the “**TF Underlying Funds**”). TAM selects the combination and amount of TF Underlying Funds to invest in based on the investment goal of each Asset Allocation Fund.

The Asset Allocation Funds and the TF Underlying Funds in which they invest are diversified.

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

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

The following charts show approximately how much of the assets of each Asset Allocation Fund are invested in underlying Transamerica bond and stock funds as well as underlying Transamerica government money market fund. These allocations reflect TAM's present strategy for asset allocation during normal market conditions, and may be changed at any time without notice to shareholders and without shareholder approval. Actual asset allocations may vary, including due to short-term changes in cash flows caused by purchases and redemptions in an Asset Allocation Fund. For more information on allocations to the TF Underlying Funds, see the current prospectus for the Asset Allocation Funds.

<b><u>ASSET ALLOCATION FUND</u></b>	<b><u>NORMAL APPROXIMATE ALLOCATION</u></b>		
<b>Transamerica Asset Allocation Intermediate Horizon</b>	<b>TF Bond Funds</b>	<b>TF Stock Funds</b>	<b>TF Government Money Market Fund</b>
	49.8%	50%	0.2%
<b>Transamerica Asset Allocation Long Horizon</b>	<b>TF Bond Funds</b>	<b>TF Stock Funds</b>	<b>TF Government Money Market Fund</b>
	9.8%	90%	0.2%
<b>Transamerica Asset Allocation Short Horizon</b>	<b>TF Bond Funds</b>	<b>TF Stock Funds</b>	<b>TF Government Money Market Fund</b>
	89.8%	10%	0.2%

### ***Transamerica Stock Index***

TAM is also currently responsible for the day-to-day management of Transamerica Stock Index (“**Stock Index**”) which is a series of TF. Stock Index currently invests in securities through an underlying unaffiliated master fund having the same investment goals and strategies. TAM may, in the future, invest Stock Index's assets directly in securities and hire a sub-adviser to furnish day-to-day investment advice and recommendations.

### ***Transamerica 60/40 Allocation VP***

TAM is also currently responsible for the day-to-day management of Transamerica 60/40 Allocation VP (“**60/40 Allocation VP**”) which is a series of TST. 60/40 Allocation VP invests in a combination of certain underlying TST Funds and certain underlying Transamerica Funds (for purposes of this sub-section, the “**Underlying Funds**”). TAM selects the combination and amount of Underlying Funds to invest in based on 60/40 Allocation VP’s investment goal of achieving exposure targets over time of approximately 60% of its net assets in equities and approximately 40% of its net assets in fixed income.

60/40 Allocation VP and the Underlying Funds in which it invests are diversified.

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

60/40 Allocation VP may also invest its assets in cash, cash equivalent securities or short-term debt securities, repurchase agreements and money market instruments. Under adverse or unstable market, economic or political conditions, 60/40 Allocation VP may take temporary defensive positions in cash and short-term debt securities without limit.

For more information on allocations to the Underlying Funds, see the current prospectus for 60/40 Allocation VP.

### ***Transamerica Asset Allocation Variable Funds***

Transamerica Asset Allocation Variable Funds (for purposes of this sub-section, the “**Separate Account**”) is a non-diversified separate account of TFLIC and is registered as a management investment company under the 1940 Act. The Separate Account applies investment company accounting and reporting guidance. The Separate Account is composed of the following three different subaccounts that are separate investment funds: Transamerica Asset Allocation Intermediate Horizon Subaccount, Transamerica Asset Allocation Intermediate/Long Horizon Subaccount, and Transamerica Asset Allocation Short Horizon Subaccount (for purposes of this sub-section, each a “**Subaccount**” and collectively, the “**Subaccounts**”). TAM is responsible for the day-to-day management of the Subaccounts.

Each Subaccount invests substantially all of its investable assets in subaccounts in the Transamerica Variable Funds Account, a separate account of TFLIC which is composed of twelve subaccounts.

## **TF and TST Risks**

Risk is inherent in all investing. Many factors affect a Fund's performance. There is no assurance a Fund will meet its investment objective. The value of an investment in a Fund, as well as the amount of return received on that investment, may fluctuate significantly. An investor may lose part or all of their investment in a Fund or the investment may not perform as well as other similar investments.

The following is a summary of certain risks (in alphabetical order) of investing in the Funds (either directly or through a Fund's investment in underlying funds). This summary of certain risks is not a complete list of the risks involved in investing in the Funds. Each risk described below may not apply to each Fund and each Fund may be subject to additional or different risks than those described below. For more information, please see each Fund's applicable summary prospectus, prospectus and statement of additional information.

**Absence of Regulation:** A fund may engage in over-the-counter ("OTC") transactions, which trade in a dealer network, rather than on an exchange. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organized exchanges. Transactions in the OTC markets also are subject to the credit risk of the counterparty.

**Active Trading:** Certain funds may purchase and sell securities without regard to the length of time held. Active trading may have a negative impact on performance by increasing transaction costs, and may generate greater amounts of short-term capital gains, which, for shareholders holding shares in taxable accounts, would generally be subject to tax at ordinary income tax rates upon distribution. During periods of market volatility, active trading may be more pronounced.

**Allocation:** A fund's investment performance depends on the fund's asset class allocation and reallocation from time to time. The sub-adviser's decisions regarding whether and when to tactically overweight or underweight asset classes, create and apply formulas for de-risking or ending de-risking and select a mix of underlying funds may not produce the desired results. These actions may be unsuccessful in maximizing return and/or avoiding investment losses. The value of your investment may decrease if the sub-adviser's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, technique or strategy, underlying fund or other issuer is incorrect. The sub-adviser may favor an asset class that performs poorly relative to other asset classes. The available underlying funds selected by the sub-adviser may underperform the market or similar funds.

**Allocation Conflicts:** The sub-adviser to an asset allocation fund may be subject to conflicts of interest in allocating the portfolio's assets among underlying portfolios. For example, the sub-adviser or its affiliate may serve as adviser or sub-adviser to certain underlying portfolios in which the portfolio may invest. A sub-adviser will receive more revenue when it selects an underlying fund it advises or sub-advises for inclusion in the portfolio. TAM selects the sub-adviser to the asset allocation portfolios, and benefits from the sub-adviser's selection of underlying Transamerica funds.

In addition, the sub-adviser or TAM may have an incentive to take into account the effect that the portfolio's purchase or sale of shares of underlying portfolios would have on that underlying portfolio.

**Arbitrage:** The strategy is intended to take advantage of a perceived relationship between the value of two or more securities. It may not work as intended and may result in reduced returns or losses for the fund.

**Asset Class Allocation:** A fund's investment performance depends on the fund's asset class allocation and reallocation from time to time. The investment manager's and/or the sub-advisers' decisions may not produce the desired results. The allocations may be unsuccessful in maximizing return and/or avoiding investment losses. The value of your investment may decrease if the investment manager's and/or the sub-advisers' judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, technique, strategy or issuer is incorrect. The investment manager and/or the sub-advisers may favor an asset class that performs poorly relative to other asset classes.

**Asset Class Variation:** Certain funds may invest in underlying funds and/or ETFs. The underlying funds and/or ETFs invest principally in the securities constituting their asset class (*i.e.*, equity or fixed income) or underlying index components. However, an underlying fund or ETF may vary the percentage of its assets in these securities (subject to any applicable regulatory requirements). Depending upon the percentage of securities in a particular asset class held by the underlying funds and ETFs at any given time, and the percentage of the fund's assets invested in the various underlying funds and ETFs, the fund's actual exposure to the securities in a particular asset class may vary substantially from its target allocation for that asset class.

**Bank Obligations:** Bank obligations include certificates of deposit, fixed time deposits, bankers' acceptances, and other debt and deposit-type instruments issued by banks. To the extent a fund invests in bank obligations, the fund will be more susceptible to negative events affecting the banking industry. Banks are sensitive to changes in money market and general economic conditions, as well as regulatory and political conditions. Banks are highly regulated, and decisions by regulators may limit the loans banks make and the interest rates and fees they charge, and may reduce bank profitability.

**Capital Markets Access:** Global financial markets and economic conditions have been, and may continue to be, volatile due to a variety of factors, including significant write-offs in the financial services sector. In volatile times, the cost of raising capital in the debt and equity capital markets and the ability to raise capital has diminished. In particular, concerns about the general stability of financial markets and specifically the solvency of lending counterparties, may impact the cost of raising capital from the credit markets through increased interest rates, tighter lending standards, difficulties in refinancing debt on existing terms or at all and reduced, or in some cases ceasing to provide, funding to borrowers. In addition, lending counterparties under existing revolving credit facilities and other debt instruments may be unwilling or unable to meet their funding obligations. As a result of any of the foregoing, energy companies may be unable to obtain new debt or equity financing on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, energy companies may not be able to meet obligations as they come due. Moreover, without adequate funding, energy companies may be unable to execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

**Cash Flow:** A substantial portion of the income received by a fund may be derived from investments in equity securities of energy companies. The amount and tax characterization of cash that any such company has available for distribution depends on the amount of cash generated from such company's operations. Cash from operations may vary widely from quarter to quarter, is largely dependent on factors affecting the company's operations, and may be significantly affected by factors affecting the energy industry in general. In addition, operating costs, capital expenditures, acquisition costs, construction costs, exploration costs, borrowing costs and other costs of expenditures may reduce the amount of cash that a company has available for distribution in a given period.

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

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

**China A-Shares:** Certain funds may invest in equity securities of certain Chinese companies, referred to as China A-shares, through the Shanghai-Hong Kong Stock Connect program or the Shenzhen-Hong Kong Stock Connect program (collectively, the "Programs"). The Programs are securities trading and clearing linked programs between either Shanghai Stock Exchange or Shenzhen Stock Exchange, and the Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited, and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the People's Republic of China ("PRC" or "China") and Hong Kong. The Programs are subject to daily quota limitations, which may restrict a fund's ability to invest in China A-shares through the Programs and to enter into or exit trades on a timely basis. The Shanghai and Shenzhen markets may be open at a time when the Programs are not trading, with the result that prices of China A-shares may fluctuate at times when a fund is unable to add to or exit its position. Only certain China A-shares are eligible to be accessed through the Programs. Such securities may lose their eligibility at any time, in which case they could be sold but could no longer be purchased through the Programs. Because the Programs are in their early stages, the actual effect on the market for trading China A-shares with the introduction of large numbers of foreign investors is currently unknown. The Programs are subject to regulations promulgated by regulatory authorities for the Shanghai Stock Exchange, the Stock Exchange of Hong Kong Limited and the Shenzhen Stock Exchange, and existing and additional regulations or restrictions, such as limitations on redemptions, suspension of trading and limitations on profits, may adversely impact the Programs and/or a fund's investments through the Programs. There is no guarantee that applicable exchanges will continue to support the Programs in the future.



Investments in China A-shares are subject to risks specific to the China market. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency.

A fund's investments in securities, including China A-shares, issued by Chinese companies may cause a fund to become subject to withholding and other taxes imposed by China tax authorities. China generally imposes withholding income tax at a rate of 10% on dividends, premiums, interest and capital gains originating in China and paid to a company that is not a resident of China for tax purposes and that has no permanent establishment in China. Currently, the capital gain from disposal of China A-shares by foreign investors via the Programs is temporarily exempt from withholding income tax, but the dividends derived from China A-shares by foreign investors is subject to a 10% withholding income tax. There is no indication of how long the temporary exemption will remain in effect and a fund may be subject to such withholding income tax in the future.

A fund may also potentially be subject to PRC value added tax at the rate of 6% on capital gains derived from trading of China A-shares and interest income (if any). Existing guidance provides a temporary value added tax exemption for Hong Kong and overseas investors in respect of their gains derived from trading of PRC securities through the Programs. Since there is no indication how long the temporary exemption will remain in effect, a fund may be subject to such value added tax in the future. In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively, the "surtaxes") are imposed based on value added tax liabilities, so if a fund were liable for value added tax it would also be required to pay the applicable surtaxes.

Uncertainties in China tax rules governing taxation of income and gains from investments in China A-shares via the Programs could result in unexpected tax liabilities for a fund and therefore could affect the amount of income which may be derived, and the amount of capital returned, from the investments in China A-shares by a fund.

In the event that the depository of the Shanghai Stock Exchange and the Shenzhen Stock Exchange defaulted, a fund may not be able to recover fully its losses from the depository or may be delayed in receiving proceeds as part of any recovery process. In addition, because all trades on the Programs in respect of eligible China A-shares must be settled in Renminbi (RMB), the Chinese currency, funds investing through the Programs must have timely access to a reliable supply of offshore RMB, which cannot be guaranteed.

The Programs are novel in nature and are subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in China and Hong Kong. The regulations are untested so far and there is no certainty as to how they will be applied. China A-shares purchased through the Programs are held in nominee name and not a fund's name as the beneficial owner. It is possible, therefore, that a fund's ability to exercise its rights as a shareholder and to pursue claims against the issuer of China A-shares may be limited because the nominee structure has not been tested in Chinese courts. In addition, a fund may not be able to participate in corporate actions affecting China A-shares held through the Programs due to time constraints or for other operational reasons.

Trades on the Programs are subject to certain requirements prior to trading. If these requirements are not completed prior to the market opening, a fund cannot sell the shares on that trading day. In addition, these requirements may limit the number of brokers that a fund may use to execute trades. If an investor holds 5% or more of the total shares issued by a China A-share issuer, the investor must return any profits obtained from the purchase and sale of those shares if both transactions occur within a six-month period. If a fund holds 5% or more of the total shares of a China A-share issuer through its Program investments, its profits may be subject to these limitations. It is not expressly provided in China law whether all accounts managed by TAM and/or its affiliates will be aggregated for purposes of this 5% limitation. If that is the case, it makes it more likely that a fund's profits may be subject to these limitations.

**Commodities and Commodity-Related Securities:** If a fund invests in commodities, instruments whose performance is linked to the price of an underlying commodity or commodity index, or the securities of issuers in commodity-related businesses or industries, a fund will be subject to the risks of investing in commodities. These types of risks include changes and volatility in commodity prices generally, regulatory, economic and political developments, weather events and natural disasters, tariffs and trade disruptions, pestilence and market disruptions. A fund's investment exposure to the commodities markets may subject the fund to greater volatility. Commodities and commodity-linked investments may be less liquid than other investments. Commodity-linked investments also are subject to the credit risk of the issuer, and their value may decline substantially if the issuer's creditworthiness deteriorates.

To the extent a fund invests in companies principally engaged in the commodities industries (including the agriculture, energy,

materials and commodity-related industrial sectors) (“commodity-related companies”), the fund will also be subject to the risk factors particular to each such industry. Commodity-related companies can be significantly affected by events relating to international political and economic developments, energy conservation, the success of exploration projects, commodity prices, tax and other government regulations, and natural phenomena such as drought, floods and other adverse weather conditions and livestock disease. Cyclical industries can be significantly affected by import controls, worldwide competition, changes in consumer sentiment and spending, and companies engaged in such industries can be subject to liability for, among other things, environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. In addition, the commodities industries can be significantly affected by the level and volatility of commodity prices, which have historically been among the most volatile of international prices, often exceeding the volatility of exchange rates and interest rates. Investments in commodity-related companies are also subject to the risk that the performance of such companies may not correlate with broader equity market returns or with returns on commodity investments to the extent expected by a fund’s sub-adviser.

**Conflicts of Interest:** Transamerica Asset Management, Inc. (“TAM”) and its affiliates are engaged in a variety of businesses and have interests other than those related to managing the funds. The broad range of activities and interests of TAM and its affiliates gives rise to actual, potential and perceived conflicts of interest that could affect the funds and their shareholders. Certain actual and potential conflicts are described below. Other conflicts may arise from time to time.

TAM and the funds have adopted practices, policies and procedures that are intended to identify, manage and, where possible, mitigate conflicts of interest. There is no assurance, however, that these practices, policies and procedures will be effective.

The performance of the portfolios impacts the financial exposure of the Transamerica insurance companies under guarantees that those companies provide as issuers of variable insurance contracts. TAM’s investment decisions and the design of the portfolios may be influenced by this. For example, a portfolio being managed or designed in a more conservative fashion may help reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under variable insurance contracts and facilitate their provision of those guaranteed benefits and may also have the effect of limiting the amount of guaranteed benefits.

TAM serves as investment manager to and is responsible for all aspects of the day-to-day investment advice and management of certain funds of funds that invest in underlying Transamerica funds and is subject to conflicts of interest in allocating the funds of funds’ assets among the underlying funds. For certain other funds of funds, TAM has hired a sub-adviser and benefits when the sub-adviser allocates the fund of funds’ assets to a Transamerica fund. TAM has designed certain funds of funds where only Transamerica funds are underlying investment options. This means that TAM or the fund of funds’ sub-adviser does not, nor does it expect to, consider any unaffiliated funds as underlying investment options for the fund of funds, even if unaffiliated funds have better investment performance or lower total expenses. TAM and its affiliates will receive more revenue when TAM or a sub-adviser selects a Transamerica fund rather than an unaffiliated fund for inclusion in a fund of funds and could result in the selection of funds with relatively lower historical investment results. TAM has an incentive for the funds of funds’ assets to be allocated to those underlying funds for which the net management fees payable to TAM are higher than the fees payable by other underlying funds or to those underlying funds for which an affiliate of TAM serves as the sub-adviser. TAM also has an incentive for a fund of funds’ assets to be allocated to subscale underlying Transamerica funds to provide scale and reduce amounts waived and/or reimbursed by TAM to maintain applicable expense caps. Sub-advisers to certain funds of funds also have conflicts of interest in allocating the funds of funds’ assets among underlying funds.

The Transamerica Managed Risk portfolios invest in Transamerica-sponsored ETFs. As of the date of this Brochure, these portfolios hold a large portion of the outstanding shares of certain Transamerica-sponsored ETFs. TAM serves as the investment manager and Milliman Financial Risk Management LLC (“Milliman”), the Transamerica Managed Risk portfolios’ sub-adviser, serves as the sub-adviser to the Transamerica-sponsored ETFs. TAM and Milliman face actual and potential conflicts of interest with respect to Milliman’s allocation of the Transamerica Managed Risk portfolios’ assets among Transamerica-sponsored ETFs and unaffiliated ETFs. For example, TAM and Milliman will receive more revenue when Milliman selects a Transamerica-sponsored ETF rather than an unaffiliated ETF for inclusion in the portfolios. TAM and Milliman also have an incentive to provide scale to the Transamerica-sponsored ETFs to improve the viability of the ETFs and to reduce their expenses. Milliman also has an incentive to take into account the effect on a Transamerica-sponsored ETF in determining whether, and under what circumstances, to purchase or sell shares in that Transamerica-sponsored ETF.

TAM may have a financial incentive to implement or not to implement certain changes to the funds. For example, TAM may, from time to time, recommend a change in sub-adviser or the combination of two or more funds. TAM and its affiliates will benefit to the extent that an affiliated sub-adviser replaces an unaffiliated sub-adviser or additional assets are combined into a fund having a higher net management fee payable to TAM and/or that is sub-advised by an affiliate of TAM. TAM will also benefit to the extent

that it replaces a sub-adviser with a new sub-adviser with a lower sub-advisory fee. The aggregation of assets of multiple funds for purposes of calculating breakpoints or discounts in sub-advisory fees also gives rise to conflicts of interest for TAM.

TAM manages other funds and products that have investment objectives similar to or the same as those of the funds and/or engage in transactions in the same types of securities and instruments as the funds. Such transactions could affect the prices and availability of the securities and instruments in which a fund invests, and could have an adverse impact on the fund's performance. These other accounts and products may buy or sell positions while the funds are undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the funds. A position taken by TAM, on behalf of one or more other funds or products, may be contrary to a position taken on behalf of a fund or may be adverse to a company or issuer in which the fund has invested. The results of the investment activities of a fund may differ significantly from the results achieved for other funds or products.

TAM and certain of its affiliates provide services including investment management, administration, sub-advisory, shareholder servicing, distribution, and transfer agency services to the funds and earn fees from these relationships with the funds. TAM and its affiliates face conflicts of interest when the funds select affiliated service providers because TAM and/or its affiliates receive greater compensation when they are used.

TAM, its affiliates and other financial service providers have conflicts associated with their promotion of the funds or other dealings with the funds that would create incentives for them to promote the funds. TAM, its affiliates and/or the funds' sub-advisers or their affiliates, make revenue sharing payments to brokers and other financial intermediaries to promote the distribution of the funds. TAM and its affiliates will benefit from increased amounts of assets under management. TAM or its affiliates also receive revenue sharing payments from certain of the funds' sub-advisers or their affiliates.

TAM and/or its affiliates have existing and may have potential future other business dealings or arrangements with current or proposed sub-advisers or other fund service providers (or their affiliates) recommended by TAM. Such other business dealings or arrangements present conflicts of interest. For example, TAM has an incentive to hire as a sub-adviser or other service provider an entity with which TAM or one or more of its affiliates have, or would like to have, significant or other business dealings or arrangements, and TAM has a disincentive to recommend the termination of such a sub-adviser or service provider.

The performance of certain funds impacts the financial exposure of affiliates of TAM under guarantees that the Transamerica insurance companies provide as issuers of the variable insurance contracts. TAM and/or its affiliates derive certain ancillary benefits from providing investment management, administration, investment sub-advisory, shareholder servicing, distribution, and transfer agency services to the funds.

The range of activities, services and interests of a sub-adviser may give rise to actual, potential and/or perceived conflicts of interest that could disadvantage a fund and its shareholders. For example, a sub-adviser's portfolio managers may manage multiple funds and accounts for multiple clients which may give rise to actual or potential conflicts of interest. A sub-adviser and/or its respective affiliates also may derive ancillary benefits from providing investment sub-advisory services to a fund.

A further discussion of conflicts of interest appears in the Statement of Additional Information. These discussions are not, and are not intended to be, a complete enumeration or description of all the actual and potential conflicts that may arise.

**Convertible Securities:** Convertible securities share investment characteristics of both fixed income and equity securities. For example, if market interest rates rise, the value of a convertible security typically falls. In addition, a convertible security is subject to the risk that the issuer will not be able to pay interest or dividends when due, and the market value of the security may change based on the issuer's actual or perceived creditworthiness. Since the convertible security derives a portion of its value from the underlying common stock, the security is also subject to the same types of market and issuer-specific risks that apply to the underlying common stock. Convertible securities may include corporate notes or preferred stock, but ordinarily are a long-term debt obligation of the issuer convertible at a stated exchange rate into common stock of the issuer. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. Convertible securities are normally "junior" securities, meaning that the issuers usually must first make payments on non-convertible securities before making payments on convertible securities. If the issuer of a convertible security stops making payments, these securities may become worthless.

**Correlation and Compounding (Transamerica ProFund UltraBear VP):** A number of factors may affect the portfolio's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that the portfolio will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the portfolio from achieving its investment objective. The risk of the portfolio not achieving its daily investment objective will be more acute when the Index has an extreme

one-day move approaching 50%. In addition, as a result of compounding, because the portfolio has a single day investment objective, the portfolio's performance for periods greater than one day is likely to be either better or worse than the inverse of the index performance times the stated multiple in the portfolio objective, before accounting for fees and fund expenses.

Compounding affects all investments, but has a more significant impact on a leveraged fund. In general, particularly during periods of higher index volatility, compounding will cause longer term results to be more or less than two times the inverse of the return of the Index. This effect becomes more pronounced as volatility increases.

**Counterparty:** A fund could lose money if the counterparties to derivatives, repurchase agreements and other financial contracts entered into for the fund do not fulfill their contractual obligations. Adverse changes to counterparties may cause the value of financial contracts to go down. If a counterparty becomes bankrupt or otherwise fails to perform its obligations, the value of your investment in the fund may decline. In addition, the fund may incur costs and may be hindered or delayed in enforcing its rights against a counterparty.

**Credit:** The value of your investment in a fund could decline if the issuer of a security held by the fund or another obligor for that security (such as a party providing insurance or other credit enhancement) fails to pay, otherwise defaults, is perceived (whether by market participants, ratings agencies or otherwise) to be less creditworthy, becomes insolvent or files for bankruptcy. Changes in actual or perceived creditworthiness may occur quickly. The value of your investment in a fund could also decline if the credit rating of a security held by the fund is downgraded or the credit quality or value of any assets underlying the security declines. A decline may be significant, particularly in certain market environments. If a single entity provides credit enhancement to more than one of the fund's investments, the adverse effects resulting from the downgrade or default will increase the adverse effects on a fund. If a fund enters into financial contracts (such as certain derivatives, repurchase agreements, reverse repurchase agreements, and when-issued, delayed delivery and forward commitment transactions), the fund will be subject to the credit risk presented by the counterparty. In addition, a fund may incur expenses and may be hindered or delayed in an effort to protect the fund's interests or to enforce its rights. The degree of credit risk of a security or financial contract depends upon, among other things, the financial condition of the issuer and the terms of the security or contract. Credit risk may be broadly gauged by the credit ratings of the securities in which a fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Credit rating may also be influenced by conflicts of interest. Securities rated in the lowest category of investment grade (Baa/BBB or Baa-/BBB-) may possess certain speculative characteristics, and a fund is subject to greater credit risk to the extent it invests in below investment grade securities (that is, securities rated below the Baa/BBB categories or unrated securities of comparable quality), or "junk" bonds. Credit risk is also greater to the extent a fund uses leverage or derivatives in connection with the management of the fund.

A fund may invest in securities which are subordinated to more senior securities of the issuer, or which represent interests in pools of such subordinated securities. A fund is more likely to suffer a credit loss on subordinated securities than on non-subordinated securities of the same issuer. If there is a default, bankruptcy or liquidation of the issuer, most subordinated securities are paid only if sufficient assets remain after payment of the issuer's non-subordinated securities. In addition, any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on subordinated securities.

**Currency:** The value of a fund's investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. U.S. dollar-denominated securities of foreign issuers may also be affected by currency risk, as the revenue earned by issuers of these securities may also be impacted by changes in the issuer's local currency. Currency conversion costs and currency fluctuations could reduce or eliminate investment gains or add to investment losses. Currency exchange rates can be volatile and may fluctuate significantly over short periods of time, and they are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation. A fund may be positively or negatively affected by government strategies intended to make the U.S. dollar, or other currencies to which the fund has exposure, stronger or weaker. Currency markets generally are not as regulated as securities markets, and currency risk may be particularly high to the extent the fund invests in foreign securities or currencies that are economically tied to emerging market or frontier market countries. A fund may be unable or may choose not to hedge its foreign currency exposure. Derivatives that provide exposure to foreign currencies are also subject to these risks.

**Currency Hedging:** A fund may use currency futures, forwards or options to hedge against declines in the value of securities denominated in, or whose value is tied to, a currency other than the U.S. dollar or to reduce the impact of currency fluctuation on purchases and sales of such securities. Hedging strategies and/or these instruments may not always work as intended, and a fund may be worse off than if it had not used a hedging strategy or instrument. Shifting a fund's currency exposure from one currency to

another may remove a fund's opportunity to profit from the original currency and involves a risk of increased losses for a fund if the sub-adviser's projection of future exchange rates is inaccurate.

**Cybersecurity and Operations:** A fund, and its service providers and distribution platforms, and your ability to transact with a fund, may be negatively impacted by, among other things, human error, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized party to gain access to fund assets, shareholder data (including private shareholder information), and/or proprietary information, or cause a fund, TAM, a sub-adviser and/or its service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality. A cybersecurity incident or operational issue may disrupt the processing of shareholder transactions, impact a fund's ability to calculate its net asset values, prevent shareholders from redeeming their shares, or result in financial losses to a fund and its shareholders. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of those securities could decline if the issuers experience cybersecurity incidents or operational issues. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the fund by its service providers.

**Deflation (Transamerica Inflation-Protected Securities):** Deflation risk is the possibility that prices throughout the economy decline over time — the opposite of inflation. If inflation is negative, the principal and income of an inflation-protected bond will decline and could result in losses for a fund.

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

The issuers of unsponsored depository receipts are not obligated to disclose information that is, in the United States, considered material. Therefore, there may be less information available regarding those issuers and there may not be a correlation between such information and the market value of the depository receipts.

**Derivatives:** Derivatives involve special risks and costs and may result in losses. Risks of derivatives include leverage risk, liquidity risk, valuation risk, market risk, counterparty risk, credit risk, operational risk (such as documentation issues and settlement issues) and legal risk (such as insufficient documentation, insufficient capacity or authority of a counterparty, or issues with the legality or enforceability of a contract). Use of derivatives can increase losses, reduce opportunities for gains, increase fund volatility, and not produce the result intended. Even a small investment in derivatives can have a disproportionate impact on a fund. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. This risk is greater for forward currency contracts, swaps and other over-the-counter traded derivatives. The other parties to derivatives transactions present the same types of credit risk as issuers of fixed-income securities. Derivatives also tend to involve greater liquidity risk and they may be difficult to value. A fund may be unable to terminate or sell its derivative positions. In fact, many over-the-counter derivatives will not have liquidity except through the counterparty to the instrument. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative, including market risk, credit risk, liquidity risk, management and valuation risk. Also, suitable derivative transactions may not be available in all circumstances or at reasonable prices. The value of a derivative may fluctuate more than, or otherwise not correlate well with, the underlying assets, rates, indices or other indicators to which it relates. A fund's use of derivatives may also increase the amount of taxes payable by shareholders.

The U.S. government and foreign governments have adopted (and may adopt further) regulations governing derivatives markets, including mandatory clearing and on-facility execution of certain derivatives, margin and reporting requirements. In 2020, the SEC adopted new Rule 18f-4 under the 1940 Act, which provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as a fund, and set limits on a fund's investments in derivatives. Compliance with the rule is not required until Summer 2022, but the rule may impact a fund's use of derivatives before that date. The ultimate impact of the regulations and new rule remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance, or disrupt markets. For derivatives that are required to be cleared by a regulated clearinghouse, a fund may be exposed to risks arising from its relationship with a brokerage firm through which it would submit derivatives trades for clearing. A fund would also be exposed to counterparty risk with respect to the clearinghouse. In certain cases, a fund may incur costs and may be hindered or delayed in enforcing its rights against or closing out derivatives instruments with a counterparty, which may result in additional losses.

Derivatives may be used by a fund for a variety of purposes, including:

- As a hedging technique in an attempt to manage risk in the fund's portfolio;
- As a means of changing investment characteristics of the fund's portfolio;
- As a means of attempting to enhance returns;
- As a means of providing additional exposure to types of investments or market factors;
- As a substitute for buying or selling securities; or
- As a cash flow management technique.

Using derivatives, especially for non-hedging purposes, may involve greater risks to a fund than investing directly in securities, particularly as these instruments may be very complex and may not behave in the manner anticipated by the fund. Risks associated with the use of derivatives are magnified to the extent that a large portion of the fund's assets are committed to derivatives in general or are invested in just one or a few types of derivatives. Use of derivatives or similar instruments may have different tax consequences for a fund than an investment in the underlying asset or indices, and those differences may affect the amount, timing and character of income distributed to shareholders.

Using derivatives for hedging purposes can reduce or eliminate losses, but doing so can also reduce or eliminate gains. In addition, there can be no assurance that a fund's hedging transactions will be effective.

When a fund enters into derivative transactions, it may be required to segregate assets, or enter into offsetting positions, in accordance with applicable regulations. Such segregation will not limit the fund's exposure to loss, however, and the fund will have investment risk with respect to both the derivative itself and the assets that have been segregated to cover the fund's derivative exposure. If the segregated assets represent a large portion of the fund's portfolio, this may impede portfolio management or the fund's ability to meet redemption requests or other current obligations.

A fund could lose the entire amount of its investment in a derivative and, in some cases, could lose more than the principal amount invested.

Derivatives may include, but are not limited to, the following:

- *Options.* An option is an agreement that, for a premium payment or fee, gives the option holder (the buyer) the right but not the obligation to buy (a "call option") or sell (a "put option") the underlying asset (or settle for cash an amount based on an underlying asset, rate or index) at a specified price (the exercise price) during a period of time or on a specified date. Investments in options are considered speculative. The fund may lose the premium paid for them if the price of the underlying security or other asset decreased or remained the same (in the case of a call option) or increased or remained the same (in the case of a put option). If a put or call option purchased by the fund were permitted to expire without being sold or exercised, its premium would represent a loss to the fund. Investments in foreign currency options may substantially change a fund's exposure to currency exchange rates and could result in losses to the fund if currencies do not perform as a sub-adviser expects. There is a risk that such transactions could reduce or preclude the opportunity for gain if the value of the currency moves in the direction opposite to the position taken. Options on foreign currencies are affected by all of those factors which influence foreign exchange rates and foreign investment generally. Unanticipated changes in currency prices may result in losses to a fund and poorer overall performance for the fund than if it had not entered into such contracts. Options on foreign currencies are traded primarily in the OTC market, but may also be traded on U.S. and foreign exchanges. Foreign currency options contracts may be used for hedging purposes or non-hedging purposes in pursuing a fund's investment objective, such as when a sub-adviser anticipates that particular non-U.S. currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the fund's investment portfolio. Investing in foreign currencies for purposes of gaining from projected changes in exchange rates, as opposed to only hedging currency risks applicable to a fund's holdings, further increases the fund's exposure to foreign securities losses. There is no assurance that a sub-adviser's use of currency derivatives will benefit a fund or that they will be, or can be, used at appropriate times.
- *Forwards and Futures Contracts.* The use of futures contracts is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. A futures contract is a sales contract between a buyer (holding the "long" position) and a seller (holding the "short" position) for an asset with delivery deferred until a future date. The buyer agrees to pay a fixed price at the agreed future date and the seller agrees to deliver the asset. The seller hopes that the market price on the delivery date is less than the agreed upon price, while the buyer hopes for the contrary. The liquidity of the futures markets depends on participants entering into off-setting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures market could be reduced. In addition, futures exchanges often impose a maximum permissible price movement on each futures contract for each trading session. The fund may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. Moreover, to the extent the fund engages in futures contracts on foreign exchanges, such exchanges may not provide the same protection as US exchanges. The loss that may be

incurred in entering into futures contracts may exceed the amount of the premium paid and may be potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of the fund's NAV. Additionally, as a result of the low collateral deposits normally involved in futures trading, a relatively small price movement in a futures contract may result in substantial losses to the fund. Investment in these instruments involve risks, including counterparty risk (i.e., the counterparty to the instrument will not perform or be able to perform in accordance with the terms of the instrument), hedging risk (i.e., a hedging strategy may not eliminate the risk that it is intended to offset, and may offset gains, which may lead to losses within the fund) and pricing risk (i.e., the instrument may be difficult to value).

- Foreign Currency Forward Exchange Contracts.* In connection with its investments in foreign securities, a fund also may enter into contracts with banks, brokers or dealers to purchase or sell securities or foreign currencies at a future date. A foreign currency forward exchange contract is a negotiated agreement between the contracting parties to exchange a specified amount of currency at a specified future time at a specified rate. The rate can be higher or lower than the spot rate between the currencies that are the subject of the contract. Foreign currency forward exchange contracts may be used to protect against uncertainty in the level of future foreign currency exchange rates or to gain or modify exposure to a particular currency. In addition, a fund may use cross currency hedging or proxy hedging with respect to currencies in which the fund has or expects to have portfolio or currency exposure. Cross currency hedges involve the sale of one currency against the positive exposure to a different currency and may be used for hedging purposes or to establish an active exposure to the exchange rate between any two currencies. Investments in foreign currency forward exchange contracts may substantially change a fund's exposure to currency exchange rates and could result in losses to the fund if currencies do not perform as its sub-adviser expects. A sub-adviser's success in these transactions will depend principally on its ability to predict accurately the future exchange rates between foreign currencies and the U.S. dollar. Foreign currency forward exchange contracts may be used for non-hedging purposes in seeking to meet the applicable fund's investment objectives, such as when the sub-adviser anticipates that particular non-U.S. currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the fund's investment portfolio. Investing in foreign currency forward exchange contracts for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to a fund's holdings, further increases the fund's exposure to foreign securities losses. There is no assurance that a sub-adviser's use of currency derivatives will benefit a fund or that they will be, or can be, used at appropriate times.
- Swaps.* Swap contracts, including credit default swaps, involve heightened risks and may result in losses to the fund. Swaps may in some cases be illiquid and difficult to value, and they increase credit risk since the fund has exposure to both the issuer of the referenced obligation and the counterparty to the swap. If the fund buys a credit default swap, it will be subject to the risk that the credit default swap may expire worthless, as the credit default swap would only generate income in the event of a default on the underlying debt security or other specified event. As a buyer, the fund would also be subject to credit risk relating to the seller's payment of its obligations in the event of a default (or similar event). If the fund sells a credit default swap, it will be exposed to the credit risk of the issuer of the obligation to which the credit default swap relates. As a seller, the fund would also be subject to leverage risk, because it would be liable for the full notional amount of the swap in the event of default (or similar event). Swaps may be difficult to unwind or terminate. Credit default swaps may in some cases be illiquid, and they increase credit risk since the fund has exposure to the issuer of the referenced obligation and either their counterparty to the credit default swap or, if it is a cleared transaction, the brokerage firm through which the trade was cleared and the clearing organization that is the counterparty to that trade. Certain index-based credit default swaps are structured in tranches, whereby junior tranches assume greater default risk than senior tranches. The absence of a central exchange or market for swap transactions may lead, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions. New regulations require many kinds of swaps to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. Although this clearing mechanism is generally expected to reduce counterparty credit risk, it may disrupt or limit the swap market and may not result in swaps being easier to trade or value. As swaps become more standardized, the fund may not be able to enter into swaps that meet its investment needs. The fund also may not be able to find a clearinghouse willing to accept the swaps for clearing. In a cleared swap, a central clearing organization will be the counterparty to the transaction. The fund will assume the risk that the clearinghouse may be unable to perform its obligations. The new regulations may make using swaps more costly, may limit their availability, or may otherwise adversely affect their value or performance.
- Contracts for Difference.* Contracts for differences ("CFDs") are subject to liquidity risk because the liquidity of CFDs is based on the liquidity of the underlying instrument, and are subject to counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. To the extent that there is an imperfect correlation between the return on the fund's obligation to its counterparty under the CFD and the return on related assets in its portfolio, the CFD transaction may increase the fund's financial risk. CFDs, like many other derivative instruments, involve the risk that, if the derivative security declines in value, additional margin would be required to maintain the margin level. The seller may require the fund to deposit additional sums to cover this, and this may be at short notice. If

additional margin is not provided in time, the seller may liquidate the positions at a loss for which the fund is liable. CFDs are not registered with the Securities and Exchange Commission or any U.S. regulator, and are not subject to U.S. regulation.

**Distressed or Defaulted Securities:** Investments in defaulted securities and obligations of distressed issuers, including securities that are, or may be, involved in reorganizations or other financial restructurings, either out of court or in bankruptcy, involve substantial risks in addition to the risks of investing in high-yield debt securities. These securities are considered speculative. A fund may suffer significant losses if a reorganization or restructuring is not completed as anticipated. A fund will generally not receive interest payments on the distressed securities and may incur costs to protect its investment. Repayment of defaulted securities and obligations of distressed issuers is subject to significant uncertainties. A fund may incur costs to protect its investment, and the fund could lose its entire investment. Distressed or defaulted securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

**Dividend Paying Stock:** Certain funds utilize a strategy that focuses on investing in stocks that pay dividends. There can be no assurance that the issuers of the stocks held by a fund will pay dividends in the future or that, if dividends are paid, they will not decrease. A fund's emphasis on dividend paying stocks could cause the fund's share price and total return to fluctuate more than, or cause the fund to underperform similar funds that invest without consideration of an issuer's track record of paying dividends or ability to pay dividends in the future. Dividend paying stocks may not participate in a broad market advance to the same degree as other stocks, and a sharp rise in interest rates or economic downturn could cause an issuer to unexpectedly reduce or eliminate its dividends.

**Dollar Rolls:** A dollar roll transaction involves a sale by a fund of a mortgage-backed or other security concurrently with an agreement by the fund to repurchase a similar security at a later date at an agreed-upon price. The securities that are repurchased will bear the same interest rate and stated maturity as those sold, but pools of mortgages collateralizing those securities may have different prepayment histories than those sold.

The use of dollar rolls is a speculative technique involving leverage, and can have an economic effect similar to borrowing money. Dollar roll transactions involve the risk that the market value of the securities a fund is required to purchase may decline below the agreed upon repurchase price of those securities. If the broker/dealer to whom a fund sells securities becomes insolvent, the fund's ability to purchase or repurchase securities may be restricted.

**Dynamic Risk Management:** In implementing the Dynamic Risk Management strategy, the sub-adviser anticipates that it will sell shares the fund holds in equity and fixed income ETFs and will be more concentrated in 7-10 Year U.S. Treasury Bond ETFs or cash instruments. The fund may incur additional trading costs while implementing the Dynamic Risk Management strategy, which may reduce the fund's performance. If the fund increases its 7-10 Year U.S. Treasury Bond ETFs or cash related holdings at inopportune times or for extended periods of time, the fund may experience lower investment returns or experience higher losses. The Dynamic Risk Management strategy may fail to protect against market declines, may limit the fund's ability to participate in rising markets and may cause the fund to underperform its benchmark or similar funds that do not employ such a strategy in rising markets. The Dynamic Risk Management strategy may not work as intended.

**Early Close/Late Close/Trading Halt:** An exchange or market may close early, close late or issue trading halts generally or on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may result in a portfolio being unable to buy or sell securities or financial instruments. In these circumstances, a portfolio may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.

**Emerging Markets:** Investments in securities of issuers located or doing business in emerging markets bear heightened foreign investments risks and may experience rapid and extreme changes in value. Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Emerging market countries typically have less developed and less stable economic and political systems and regulatory and accounting standards. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation, and may be based on only a few industries. Such countries typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a public health emergency or natural disaster. Certain emerging markets may also face other significant internal or external risks, including the risk of war or terrorism, and ethnic, religious or racial conflicts. Emerging market countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will, and such investors are more likely to experience nationalization, expropriation and confiscatory taxation. Such policies may change abruptly. Emerging market securities are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Some emerging market countries are especially vulnerable to economic



conditions in other countries. Low trading volumes may result in a lack of liquidity and extreme price volatility, which could make security valuations more difficult. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating a fund's net asset value. A fund investing in emerging market countries may be required to establish special custody or other arrangements before investing, and the fund may experience problems or delays with the clearing and settling of trades that are not typically experienced in more developed markets. It may be difficult for a fund to pursue claims against an emerging market issuer or other parties in the courts of an emerging market country. Some securities issued by emerging market governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult for a fund to pursue its rights against the government. An investment in emerging market securities should be considered speculative.

**Energy Sector:** Certain risks inherent in investing in energy companies include the following:

- *Supply and Demand.* A decrease in the production of natural gas, natural gas liquids, crude oil, coal or other energy commodities, a decrease in the volume of such commodities available for transportation, mining, processing, storage or distribution or a sustained decline in demand for such commodities, may adversely impact the financial performance of energy companies. Energy companies are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors, including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events and economic conditions, among others. The United States relies heavily on foreign imports of energy such as crude oil and refined products. If a supply source decides to restrict supply to the United States or is unable to meet demand, some energy companies' cash flows may be adversely impacted. The substantial market disruption and slowdown in economic activity resulting from the COVID-19 pandemic has adversely impacted the demand for oil and other energy commodities. The Organization of Petroleum Exporting Countries ("OPEC") and other oil-producing countries have agreed to reduce production in response to the pandemic. An extended period of reduced production and continued price volatility may significantly lengthen the time the energy sector would need to recover after a stabilization of prices.
- *Depletion and Exploration.* Energy reserves naturally deplete as they are consumed over time. Energy companies are either engaged in the production of natural gas, natural gas liquids, crude oil, or coal, or are engaged in transporting, storing, distributing and processing these items and refined products on behalf of the owners of such commodities. To maintain or grow their revenues, these companies or their customers need to maintain or expand their reserves through exploration of new sources of supply, through the development of existing sources or through acquisitions. The financial performance of energy companies may be adversely affected if they, or the companies to whom they provide services, are unable to cost-effectively acquire additional energy deposits sufficient to replace the natural decline of existing reserves. Also, the quantities of reserves may be overstated, or deposits may not be produced in the time periods anticipated. If an energy company is not able to raise capital on favorable terms, it may not be able to add to or maintain its reserves.
- *Reserve.* Energy companies engaged in the production of natural gas, natural gas liquids, crude oil and other energy commodities are subject to the risk that the quantities of their reserves are overstated, or will not be produced in the time periods anticipated, for a variety of reasons including the risk that no commercially productive amounts of such energy commodities can be produced from estimated reserves because of the curtailment, delay or cancellation of production activities as a result of unexpected conditions or miscalculations, title problems, pressure or irregularities in formations, equipment failures or accidents, adverse weather conditions, compliance with environmental and other governmental requirements and cost of, or shortages or delays in the availability of, drilling rigs and other equipment, and operational risks and hazards associated with the development of the underlying properties, including natural disasters, blowouts, explosions, fires, leakage of such energy commodities, mechanical failures, cratering and pollution.
- *Regulatory.* Energy companies are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including (i) how facilities are constructed, maintained and operated, (ii) how and where wells are drilled, (iii) how services are provided, (iv) environmental and safety controls, and, in some cases (v) the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of energy companies. In particular, changes to laws and increased regulations or enforcement policies as a result of the Macondo oil spill in the Gulf of Mexico may adversely affect the financial performance of energy companies.
- *Commodity Pricing.* The operations and financial performance of energy companies may be directly affected by energy commodity prices, especially those energy companies which own the underlying energy commodity or receive payments for services that are based on commodity prices. Such impact may be a result of changes in the price for such commodity or a result of changes in the price of one energy commodity relative to the price of another energy commodity (i.e., the price of natural gas

relative to the price of natural gas liquids). These prices may fluctuate widely in response to a variety of factors, including global and domestic economic conditions, weather conditions, the supply and price of imported energy commodities, the production and storage levels of energy commodities in certain regions or in the world, political stability, transportation facilities, energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Volatility of commodity prices may also make it more difficult for energy companies to raise capital to the extent the market perceives that their performance may be directly or indirectly tied to commodity prices.

- *Acquisition.* The ability of energy companies to grow operating cash flow and increase such company's enterprise value can be highly dependent on their ability to make acquisitions that result in an increase in cash available for distributions. Recently, the acquisition market has become more competitive as a result of the increased amount of energy companies, as well as significant private equity interest in midstream energy assets. As a result, the competitive nature of the market has resulted in higher multiples, which may reduce the attractiveness of returns on acquisitions. Accordingly, MLP Entities may be unable to make accretive acquisitions because they are unable to identify attractive acquisition candidates, negotiate acceptable purchase contracts, raise financing for such acquisitions on economically acceptable terms, or because they are outbid by competitors. Such circumstances may limit future growth and their ability to raise distributions could be reduced. Furthermore, even if energy companies do consummate acquisitions that they believe will be accretive, the acquisitions may instead result in a decrease in operating cash flow or a decrease in enterprise value. Any acquisition involves risks, including, among other things: mistaken assumptions about revenues and costs, including synergies; the assumption of unknown liabilities; limitations on rights to indemnity from the seller; the diversion of management's attention from other business concerns; unforeseen difficulties operating in new product or geographic areas; and customer or key employee losses at the acquired businesses. The substantial market disruption and slowdown in economic activity resulting from the COVID-19 pandemic may limit the ability of energy companies to make acquisitions.
- *Affiliated Party.* Certain energy companies are dependent on their parents or sponsors for a majority of their revenues. Any failure by such company's parents or sponsors to satisfy their payments or obligations would impact such company's revenues and operating cash flows and ability to make interest payments and/or distributions.
- *Catastrophe.* The operations of energy companies are subject to many hazards inherent in the exploring, developing, producing, generating, transporting, transmission, storing, gathering, processing, refining, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, refined products, coal or electricity, including: damage to pipelines, storage tanks, plants or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism; inadvertent damage from construction and farm equipment; well blowouts; leaks of such energy commodities; fires and explosions. These hazards could result in substantial losses, severe damage to and destruction of property and equipment, and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. Energy companies may not be insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect the energy company's operations and financial condition.
- *Terrorism/Market Disruption.* Events in the Middle East and elsewhere could have significant adverse effects on the U.S. economy, financial and commodities markets. Energy assets could be direct targets, or indirect casualties, of an act of terror. The U.S. government has issued warnings that energy assets, specifically the United States' pipeline infrastructure, may be the future target of terrorist organizations.
- *Weather.* Extreme weather conditions, such as hurricanes, (i) could result in substantial damage to the facilities of certain energy companies located in the affected areas, (ii) significantly increase the volatility in the supply of energy commodities and (iii) adversely affect the financial performance of energy companies, and could therefore adversely affect their securities. The damage done by extreme weather also may serve to increase many insurance premiums paid by energy companies and could adversely affect such companies' financial condition.
- *Renewable Energy.* Renewable energy infrastructure companies' future growth may be highly dependent upon on government policies that support renewable power generation and enhance the economic viability of owning renewable electric generation assets. Such policies can include tax credits, accelerated cost-recovery systems of depreciation and renewable portfolio standard programs, which mandate that a specified percentage of electricity sales come from eligible sources of renewable energy. Furthermore, a portion of revenues from investments in renewable energy infrastructure assets is tied, either directly or indirectly, to the wholesale market price for electricity in the markets served. Wholesale market electricity prices are impacted by a number of factors including: the price of fuel (for example, natural gas) that is used to generate electricity; the cost of and management of generation and the amount of excess generating capacity relative to load in a particular market; and conditions (such as extremely hot or cold weather) that impact electrical system demand. In addition, there is uncertainty surrounding the trend in electricity demand growth, which is influenced by macroeconomic conditions; absolute and relative energy prices; and energy conservation and demand management. This volatility and uncertainty in power markets could have a material adverse effect on the assets, liabilities, financial condition, results of operations and cash flow of the companies in which a fund invests.

**Environmental, Social and Governance (“ESG”) Investing:** Applying ESG criteria to a sub-adviser’s investment analysis for a fund may impact the sub-adviser’s investment decisions as to securities of certain issuers and, therefore, applicable funds may forgo some investment opportunities available to funds that do not use ESG criteria or that apply different ESG criteria. Securities of companies with what are identified by a sub-adviser as having favorable ESG characteristics may shift into and out of favor depending on market and economic conditions, and a fund’s performance may at times be better or worse than the performance of similar funds that do not use ESG criteria or that apply different ESG criteria. ESG is not a uniformly defined characteristic and applying ESG criteria involves a subjective assessment. ESG ratings and assessments of issuers can vary across third party data providers. ESG criteria can vary over different periods and can evolve over time. Such criteria may also be difficult to apply consistently across regions, countries, industries or sectors.

**Equity and Market (Transamerica ProFund UltraBear VP):** The equity markets are volatile, and the value of securities, swaps, futures and other instruments related to the equity markets may fluctuate dramatically from day-to-day. Equity markets are subject to corporate, political, regulatory, market and economic developments, as well as developments that impact specific economic sectors, industries or segments of the market. Further, stocks in the Index may underperform other equity investments. Volatility in the markets and/or market developments may cause the value of an investment in the portfolio to decrease over short or long periods of time. As a portfolio seeking investment results that correspond to two times the inverse (-2x) of the Index, the portfolio’s performance will generally decrease when market conditions cause the level of the Index to rise.

**Equity Securities:** Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer, and generally have greater risk of loss than debt securities. Equity securities include, among others, common and preferred stocks, convertible securities, and warrants or rights. Stock markets are volatile. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and fluctuate in price based on real or perceived changes in a company’s financial condition, factors affecting a particular industry or industries, and overall market, economic and political conditions. Because a company’s equity securities rank junior in priority to the interests of bond holders and other creditors, a company’s equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company’s financial condition or prospects. If the market prices of the equity securities owned by a fund fall, the value of your investment in the fund will decline. If a fund holds equity securities in a company that becomes insolvent, the fund’s interests in the company will rank junior in priority to the interests of debtholders and general creditors of the company, and the fund may lose its entire investment in the company. These risks are generally magnified for investments in equity securities of distressed companies. A fund may lose its entire investment in the equity securities of an issuer.

**Event Risk Management:** Certain funds utilize an Event Risk Management strategy. The Event Risk Management strategy may involve utilizing options, futures and swaps that are expected to increase in value during the occurrence of certain market events. An instrument used to hedge market event risk could lose all or a portion of its value even in a period of severe market stress. Implementation of the strategy may result in a fund holding options, futures and swaps positions that take contradictory views on market movements. The costs of purchasing and selling these instruments may reduce a fund’s return. A fund may not be able to close out a position at the desired time or price. The strategy also serves to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The strategy also may have the effect of limiting the amount of guaranteed benefits. The Event Risk Management strategy may not work as intended.

**Expenses:** Your actual costs of investing in a fund may be higher than the expenses shown in the applicable fund’s prospectus for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease, or if a fee limitation is changed or terminated, or with respect to a newly offered fund or class, if average net assets are lower than estimated. Net assets are more likely to decrease and fund expense ratios are more likely to increase when markets are volatile.

**Extension:** When interest rates rise, repayments of fixed income securities, including asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause a fund’s share price to be more volatile or go down.

**Fixed-Income Securities:** Fixed-income securities are subject to risks including credit risk, interest rate risk, counterparty risk, prepayment risk, extension risk, valuation risk, and liquidity risk. The value of fixed-income securities may go up or down, sometimes rapidly and unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor

sentiment. In addition, the value of a fixed income security may decline if the issuer or other obligor of the security fails to pay principal and/or interest, otherwise defaults or has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines. If the value of fixed-income securities owned by a fund falls, the value of your investment will go down. The prices of fixed-income securities will generally go down when interest rates rise. Interest rates in the U.S. and certain foreign markets have been low relative to historic levels. A general rise in interest rates may cause investors to move out of fixed-income securities on a large scale, which could adversely affect the price and liquidity of fixed-income securities and could also result in increased redemptions from the fund. A rise in rates also tends to have a greater impact on the prices of longer term or duration securities. A fund may lose its entire investment in the fixed-income securities of an issuer.

If interest rates rise, repayments of fixed-income securities may occur more slowly than anticipated by the market. This may drive the prices of these securities down because their interest rates are lower than the current interest rate and they remain outstanding longer. This is sometimes referred to as extension risk.

Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, a fund will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on the prepaid security. This is sometimes referred to as prepayment or call risk.

**Floating Rate Loans:** Floating rate loans are often made to borrowers whose financial condition is troubled or highly leveraged. These loans frequently are rated below investment grade and are therefore subject to “High-Yield Debt Securities” risk. There is no public market for floating rate loans and the loans may trade infrequently and be subject to wide bid/ask spreads. Many floating rate loans are subject to restrictions on resale. Floating rate loans may have trade settlement periods in excess of seven days, which may result in a fund not receiving proceeds from the sale of a loan for an extended period. As a result, a fund may be subject to greater “Liquidity” risk than a fund that does not invest in floating rate loans and the fund may be constrained in its ability to meet its obligations (including obligations to redeeming shareholders). The lack of an active trading market may also make it more difficult to value floating rate loans. Rising interest rates can lead to increased default rates as payment obligations increase. Certain courts have determined that floating rate loans are not securities and, therefore, purchasers such as a fund may not be entitled to the anti-fraud protections of the federal securities laws, including the prohibitions on insider trading. Some floating rate loans may be tied to the London Interbank Offered Rate (“LIBOR”), and thus would be subject to LIBOR risk.

Floating rate loans may have restrictive covenants limiting the ability of a borrower to further encumber its assets. However, in periods of high demand by lenders like a fund for floating rate loan investments, borrowers may limit these covenants and weaken a lender’s ability to access collateral securing the loan; reprice the credit risk associated with the borrower; and mitigate potential loss. A fund may experience greater losses or delays and expenses in enforcing its rights with respect to floating rate loans with fewer restrictive covenants.

**Focused Investing:** To the extent a fund invests in a limited number of countries, regions, sectors, industries or market segments, in a limited number of issuers, or in issuers in related businesses or that are subject to related operating risks, the fund will be more susceptible to negative events affecting those countries, regions, sectors, industries, segments or issuers, and the value of its shares may be more volatile than if it invested more widely. Certain issuers, industries and regions may be adversely affected by the impacts of climate change, including through weather events and through regulation or business trends driven by climate change. Local events, such as political upheaval, social unrest, wars and terror attacks, financial troubles, pandemics, epidemics and natural disasters may disrupt a country’s or region’s securities markets. Geographic risk is especially high in emerging and frontier markets.

**Foreign Investments:** Investments in securities of foreign issuers (including those denominated in U.S. dollars) or issuers with significant exposure to foreign markets are subject to additional risks. Foreign markets can be less liquid, less regulated and more volatile than U.S. markets. The value of a fund’s foreign investments may decline, sometimes rapidly and unpredictably, because of factors affecting the particular issuers as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, tariffs and trade disruptions, political or financial instability, social unrest or other adverse economic or political developments. Values may also be affected by restrictions on receiving the investment proceeds from a foreign country.

Less information may be publicly available about foreign companies than about U.S. companies. Foreign companies are generally not subject to the same accounting, auditing and financial reporting standards as U.S. companies are. Some securities issued by non-U.S. governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult or impossible for the fund to pursue its rights against the government. Some non-U.S. governments have defaulted on principal and interest payments. In

certain foreign markets, settlement and clearance procedures may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments. Such settlement issues could affect a fund's performance and the liquidity of its portfolio. Dividends or interest on, or proceeds from the sale or disposition of, foreign securities may be subject to non-U.S. withholding or other taxes, and special U.S. tax considerations may apply.

Certain foreign markets may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, organizations, entities and/or individuals, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. Economic sanctions could, among other things, effectively restrict or eliminate a fund's ability to purchase or sell securities or groups of securities for a substantial period of time, and may make the fund's investments in such securities harder to value. International trade barriers or economic sanctions against foreign countries, organizations, entities and/or individuals, may adversely affect a fund's foreign holdings or exposures. Investments in foreign markets may also be adversely affected by unfavorable governmental actions such as the imposition of capital and price controls; nationalization of companies or industries; currency exchange controls, currency blockage, or restrictions on the expatriation of foreign currency; expropriation of assets; confiscatory taxation; or the imposition of punitive taxes. In the event of nationalization, expropriation or other confiscation, a fund could lose its entire investment in foreign securities. Governmental actions can have a significant effect on the economic conditions in foreign countries, which also may adversely affect the value and liquidity of a fund's investments. For example, the governments of certain countries may prohibit or impose substantial restrictions on foreign investing in their capital markets or in certain sectors or industries. In addition, a foreign government may limit or cause delay in the convertibility or repatriation of its currency which would adversely affect the U.S. dollar value and/or liquidity of investments denominated in that currency. Any of these actions could severely affect security prices, impair the fund's ability to purchase or sell foreign securities or transfer a fund's assets back into the United States, or otherwise adversely affect the fund's operations. Certain foreign investments may become less liquid in response to market developments or adverse investor perceptions, or become illiquid after purchase by a fund, particularly during periods of market turmoil. When a fund holds illiquid investments, its portfolio may be harder to value.

Investment in securities of foreign issuers may also be subject to foreign custody risk which refers to the risks inherent in the process of clearing and settling trades and to the holding of securities, cash and other assets by banks, agents and depositories in securities markets outside the United States. In addition, it is often more expensive for a fund to buy, hold, and sell securities in certain foreign markets than in the United States. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle, and governments or trade groups may compel non-U.S. agents to hold securities in designated depositories that may not be subject to independent evaluation. The laws of certain countries may place limitations on the ability to recover assets if a non-U.S. bank, agent or depository becomes insolvent or enters bankruptcy. Non-U.S. agents are held only to the standards of care of their local markets, and thus may be subject to limited or no government oversight. In general, the less developed a country's securities markets are, or the more difficult communication is with that location, the greater the likelihood of custody issues arising.

American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs"), and European Depositary Receipts ("EDRs") are generally subject to all of the risks that direct investments in foreign securities are.

In addition, U.S. investors are restricted from investing in certain Chinese companies, and the companies subject to these restrictions may change from time to time. For example, in November 2020, the President of the United States of America signed an executive order prohibiting U.S. persons, including a fund, from investing in publicly-traded securities of certain companies determined by the U.S. government to be affiliated with China's military. These or other restrictions may adversely affect the value of Chinese companies, result in forced selling of securities of Chinese companies, and cause a fund to incur losses.

**Frontier Markets:** Frontier market countries generally have smaller economies and less developed capital markets than emerging market countries. As a result, the risks of investing in emerging market countries are magnified in frontier market countries. The economies of frontier market countries are generally less correlated to global economic cycles than those of their more developed counterparts and their markets have low trading volumes and the potential for extreme price volatility and illiquidity. This volatility may be further heightened by the actions of a few major investors. These factors make investing in frontier market countries significantly riskier than in other countries and any one of them could cause the price of a fund's shares to decline. An investment in frontier market securities should be considered speculative.

**Government Money Market Fund (Transamerica Government Money Market and Transamerica BlackRock Government Money Markey VP):** The fund operates as a "government" money market fund under applicable federal regulations. The fund continues to use the special pricing and valuation conventions that currently facilitate a stable share price of \$1.00, although there is no guarantee that the fund will be able to maintain a \$1.00 share price. The fund does not currently intend to avail itself of the ability to impose "liquidity fees" and/or "redemption gates" on fund redemptions, as permitted under the

applicable regulations. However, the Board reserves the right, with notice to shareholders, to change this policy, thereby permitting the fund to impose such fees and gates in the future. During periods when interest rates are low or there are negative interest rates, the fund's yield (and total return) also may be low or zero and the fund may be unable to maintain positive returns or a stable net asset value of \$1.00 per share.

**Growth Stocks:** Returns on growth stocks may not move in tandem with returns on other categories of stocks or the market as a whole. Growth stocks typically are particularly sensitive to market movements and may involve larger price swings because their market prices tend to reflect future expectations. When it appears those expectations may not be met, the prices of growth securities typically fall. Growth stocks can be volatile for several reasons. Since growth companies usually reinvest a high proportion of their earnings in their own businesses, they may lack the dividends often associated with value stocks that could cushion their decline in a falling market. Also, since investors buy growth stocks because of their expected superior earnings growth, earnings disappointments often result in sharp price declines. Certain types of growth stocks, particularly technology stocks, can be extremely volatile and subject to greater price swings than the broader market. Growth stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "value" stocks.

**Hedging:** A fund may buy and sell futures contracts, put and call options, forward contracts, and other instruments as a hedge. Some hedging strategies could hedge a fund's portfolio against price fluctuations. Other hedging strategies would tend to increase a fund's exposure to the securities market. Forward contracts could be used to try to manage foreign currency risks on a fund's foreign investments. A fund's hedging strategies may not work as intended, and the fund may be in a less favorable position than if it had not used a hedging instrument.

**High-Yield Debt Securities:** High-yield debt securities, commonly referred to as "junk" bonds, are securities that are rated below "investment grade" (that is, securities rated below Baa/BBB) or are unrated securities of comparable quality. A fund that invests in high-yield debt securities may be subject to greater levels of credit risk, liquidity risk, and market risk than funds that do not invest in such securities. High-yield debt securities typically have a higher risk of issuer default because, among other reasons, issuers of junk bonds often have more debt in relation to total capitalization than issuers of investment grade securities. These securities are considered speculative, tend to be volatile and less liquid, and are more difficult to value than higher rated securities and may involve major risk of exposure to adverse conditions and negative sentiments, which may result in losses for the fund. These securities may be in default or in danger of default as to principal and interest. High-yield debt securities range from those for which the prospect for repayment of principal and interest is predominantly speculative to those which are currently in default on principal or interest payments or in bankruptcy. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of high-yield debt holders, leaving few or no assets available to repay high-yield debt holders. This could result in the fund losing its entire investment. High-yield securities are not generally meant for short-term investing. Unrated securities of comparable quality share these risks.

**Hybrid Instruments:** Hybrid instruments combine elements of derivative contracts with those of another security (typically a fixed-income security). All or a portion of the interest or principal payable on a hybrid security is determined by reference to changes in the price of an underlying asset or by reference to another benchmark (such as interest rates, currency exchange rates or indices). Hybrid instruments also include convertible securities with conversion terms related to an underlying asset or benchmark. Investing in hybrid instruments involves a combination of risks, including risks of investing in securities, commodities, options, futures, and currencies. Thus, an investment in a hybrid instrument may entail significant risks in addition to those associated with traditional fixed-income or convertible securities. Hybrid instruments are also potentially more volatile and may carry greater interest rate risks than traditional instruments. Moreover, depending on the structure of the particular hybrid, it may expose a fund to leverage risks or carry liquidity risks.

**Index Fund (Transamerica MSCI EAFE Index VP, Transamerica S&P 500 Index VP, and Transamerica Stock Index):** While the fund seeks to track the performance of the fund's underlying index (i.e., achieve a high degree of correlation with the index), the fund's return may not match the return of the index. The fund incurs a number of operating expenses not applicable to the index, and incurs costs in buying and selling securities. In addition, the fund may not be fully invested at times, generally as a result of cash flows into or out of the fund or reserves of cash held by the fund to meet redemptions. The fund may attempt to replicate the index return by investing in fewer than all of the securities in the index, or in some securities not included in the index, potentially increasing the risk of divergence between the fund's return and that of the index.

**Index Performance (Transamerica ProFund UltraBear VP):** The portfolio is linked to a benchmark maintained by a third party provider that is unaffiliated with the portfolio. There can be no guarantee or assurance that the methodology used by the third party provider to create the benchmark will result in the portfolio achieving high, or even positive, returns. Further, there can be no guarantee that the methodology underlying the benchmark or the daily calculation of the benchmark will be free from error. It is also possible that the value of the benchmark or its underlying reference assets (i.e., the constituent securities of the benchmark) may be subject to intentional manipulation by third-party market participants. The particular benchmark used by the portfolio may underperform other asset classes and may underperform other indices or benchmarks based upon the same underlying reference assets. Each of these factors could have a negative impact on the performance of the portfolio.

**Index Tracking (Transamerica 60/40 Allocation VP):** While certain underlying portfolios may seek to track the performance of an index (i.e., achieve a high degree of correlation with the applicable index), the returns of any underlying portfolios that seek to track an index may not match the returns of the applicable index.

**Industry Concentration:** Certain funds concentrate their investments in specific industries. Concentration in a particular industry heightens the risks associated with that industry. As a result, a fund may be subject to greater price volatility and risk of loss as a result of adverse economic, business or other developments affecting that industry than funds investing in a broader range of industries.

**Inflation:** The value of assets or income from investment may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a fund's assets can decline as can the value of the fund's distributions.

**Inflation-Protected Securities:** Inflation-protected debt securities may react differently from other types of debt securities and tend to react to changes in "real" interest rates. Real interest rates represent nominal (stated) interest rates reduced by the expected impact of inflation. In general, the price of an inflation-protected debt security can fall when real interest rates rise, and can rise when real interest rates fall. Interest payments on inflation-protected debt securities can be unpredictable and will vary as the principal and/or interest is adjusted for inflation. The market for U.S. Treasury inflation-protected securities ("TIPS") and corporate inflation-protected securities ("CIPS") may be less developed or liquid, and more volatile, than certain other securities markets. Also, the inflation index utilized by a particular inflation-protected security may not accurately reflect the true rate of inflation, in which case the market value of the security could be adversely affected.

**Interest Rate (Transamerica BlackRock Government Money Market VP):** The interest rates on short-term obligations held in the portfolio will vary, rising or falling with short-term interest rates generally. Interest rates in the United States have been at historically low levels. The portfolio faces a heightened risk that interest rates may rise. The portfolio's yield will tend to lag behind general changes in interest rates. The ability of the portfolio's yield to reflect current market rates will depend on how quickly the obligations in its portfolio mature and how much money is available for investment at current market rates. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the portfolio.

**Interest Rate (Transamerica Government Money Market):** The interest rates on short-term obligations held in the fund will vary, rising or falling with short-term interest rates generally. Interest rates in the United States have been at historically low levels. The fund faces a heightened risk that interest rates may rise. The fund's yield will tend to lag behind general changes in interest rates. The ability of the fund's yield to reflect current market rates will depend on how quickly the obligations in its portfolio mature and how much money is available for investment at current market rates. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the fund.

**Interest Rate:** Interest rates in the U.S. and certain foreign markets have been low relative to historic levels. A fund faces a risk that interest rates may rise. When interest rates rise, the value of fixed income securities will generally fall. A change in interest rates will not have the same impact on all fixed-income securities. Generally, the longer the maturity or duration of a fixed-income security, the greater the impact of a rise in interest rates on the security's value. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. A fund may not be able to hedge against changes in interest rates, may choose not to do so for cost or other reasons, and even if the fund does, the hedge may not work as intended. A significant or rapid rise in rates may result in losses. Changes in interest rates also may affect the liquidity of a fund's investments. When interest rates go down, the income received by a fund, and the fund's yield, may decline. A general rise

in interest rates may cause investors to sell fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities generally and could also result in increased redemptions from the fund. Increased redemptions could cause the fund to sell securities at inopportune times or depressed prices and result in further losses. The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

Duration is a measure of the expected life of a fixed-income security that is used to determine the sensitivity of a security's price to changes in interest rates. Fixed-income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Similarly, a fund with a longer average portfolio duration will generally be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration. By way of example, the price of a bond fund with an average duration of five years would be expected to fall approximately 5% if interest rates rose by one percentage point.

Certain fixed-income securities pay interest at variable or floating rates. Variable rate securities tend to reset at specified intervals, while floating rate securities may reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, some securities do not track the underlying index directly, but reset based on formulas that may produce a leveraging effect; others may also provide for interest payments that vary inversely with market rates. The market prices of these securities may fluctuate significantly when interest rates change. If the fund holds variable or floating rate securities, a decrease in market interest rates will adversely affect the income received from such securities and the net asset value of the fund's shares. Some variable and floating rate securities are tied to the London Interbank Offered Rate ("LIBOR"), and thus they also subject the fund to "LIBOR" risk.

**Inverse Correlation (Transamerica ProFund UltraBear VP):** Shareholders will lose money when the Index rises — a result that is the opposite from traditional funds.

**Investment Companies:** To the extent that a fund invests in other investment companies such as closed-end or exchange-traded funds ("ETFs"), it bears its pro rata share of those investment companies' expenses. Those expenses are in addition to the advisory and other expenses that the fund bears directly in connection with its own operations. Further, the fund is subject to the effects of the business and regulatory developments that affect these investment companies and the investment company industry generally.

**Investments in the China Interbank Bond Market:** A fund is subject to additional risks when investing through China's Bond Connect program ("Bond Connect"), which allows non-Chinese investors to purchase certain fixed-income investments available from the China Interbank Bond Market ("CIBM"). The Chinese investment and banking systems are materially different in nature from many developed markets, which exposes investors to risks that are different from those in the U.S. because Bond Connect uses the trading infrastructure of both Hong Kong and China. If either one or both markets involved are closed on a day a fund is open, the fund may not be able to add to or exit a position on such a day, which could adversely affect the fund's performance. Securities offered through Bond Connect may lose their eligibility for trading through Bond Connect at any time, and if such an event occurs, a fund could sell, but could no longer purchase, such securities through Bond Connect. Investing through Bond Connect also includes the risk that a fund may have a limited ability to enforce rights as a bondholder as well as the risks of settlement delays and counterparty default related to the sub-custodian. Securities purchased through Bond Connect generally may not be sold, purchased, or otherwise transferred other than through Bond Connect in accordance with applicable rules.

Bond Connect is relatively new. Laws, rules, regulations, policies, notices, circulars or guidelines relating to Bond Connect (the "Applicable Bond Connect Regulations") as published or applied by any of the Bond Connect Authorities (as defined below) are relatively untested and are subject to change from time to time. There can be no assurance that Bond Connect will not be restricted, suspended or abolished. If such event occurs, a fund's ability to invest in the CIBM through Bond Connect may be adversely affected, and if the fund is unable to adequately access the CIBM through other means, the fund's ability to achieve its investment objective may be adversely affected. "Bond Connect Authorities" refers to the exchanges, trading systems, settlement systems, governmental, regulatory or tax bodies which provide services and/or regulate Bond Connect and activities relating to Bond Connect, including, without limitation, the People's Bank of China, Hong Kong Monetary Authority ("HKMA"), Hong Kong Exchanges and Clearing Limited, China Foreign Exchange Trade System & National Interbank Funding Centre, Central Moneymarkets Unit ("CMU"), China Central Depository & Clearing Co., Ltd ("CCDC"), Shanghai Clearing House ("SCH"), and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Bond Connect.

Under the prevailing Applicable Bond Connect Regulations, eligible foreign investors who wish to participate in Bond Connect may do so through an offshore custody agent, registration agent or other third parties (as the case may be), who would be responsible for making the relevant filings and account opening with the relevant authorities. A fund is therefore subject to the risk



of default or errors on the part of such agents.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly (in particular, under extreme market conditions) or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement.

A fund's investments through Bond Connect will be held on behalf of the fund via a book entry omnibus account in the name of the CMU maintained with a Mainland China-based custodian (either CCDC or SCH). A fund's ownership interest in investments through Bond Connect will not be reflected directly in book entry with CCDC or SCH and will instead only be reflected on the books of its Hong Kong sub-custodian. While Bond Connect Authorities have expressly stated that investors will enjoy the rights and interests of the bonds acquired through Bond Connect in accordance with applicable laws, the exercise and the enforcement of beneficial ownership rights over such bonds in the courts in China is yet to be tested. As a result, for example, though the HKMA has stated otherwise in its Frequently Asked Questions relating to Bond Connect, it is possible that in the event that the nominee holder (i.e. the CMU or HKMA) becomes insolvent, such bonds may be deemed to form part of the pool of assets of the nominee holder available for distribution to its creditors thereby subjugating the rights of a fund.

With respect to tax treatment, uncertainties in China tax rules governing taxation of income and gains from investments via Bond Connect could result in unexpected tax liabilities for a fund.

**IPOs:** Securities offered in initial public offerings (IPOs) are subject to many of the same risks of investing in companies with smaller market capitalizations and often to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile. At any particular time or from time to time, a fund may not be able to invest in securities issued in IPOs, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to a fund. There is no assurance that any particular IPO will be successful, or that any gains will be sustainable. Investors should not rely on past gains attributable to IPOs as an indication of future performance.

**Junior Loans:** Junior loans are subject to the same general risks inherent to any loan investment, including credit risk, market and liquidity risk and interest rate risk. Due to their lower place in the borrower's capital structure and possible unsecured status, junior loans involve a higher degree of overall risk than senior loans of the same borrower. Second lien loans are secured by the assets of the issuer. In a typical structure, the claim on collateral and right of payment of second lien loans are junior to those of first-lien loans. Subordinated bridge loans are loans that are intended to provide short-term financing to provide a "bridge" to an asset sale, bond offering, stock offering, or divestiture. Generally, bridge loans are provided by arrangers as part of an overall financing package. Typically, the issuer will agree to increasing interest rates if the loan is not repaid as expected. A subordinated bridge loan is junior to a senior bridge loan in right of payment.

**Large Capitalization Companies:** A fund's investments in large capitalization companies may underperform other segments of the market because they may be less responsive to competitive challenges and opportunities and unable to attain high growth rates during periods of economic expansion. As a result, a fund's value may not rise as much as, or may fall more than, the value of funds that focus on companies with smaller market capitalizations.

**Large Shareholder:** Transamerica Asset Allocation – Conservative Portfolio, Transamerica Asset Allocation – Growth Portfolio, Transamerica Asset Allocation – Moderate Growth Portfolio, Transamerica Asset Allocation – Moderate Portfolio, Transamerica Asset Allocation Intermediate Horizon, Transamerica Asset Allocation Long Horizon and Transamerica Asset Allocation Short Horizon, each separate series of Transamerica Funds, as well as Transamerica JPMorgan Asset Allocation – Conservative VP, Transamerica JPMorgan Asset Allocation – Growth VP, Transamerica JPMorgan Asset Allocation – Moderate Growth VP, Transamerica JPMorgan Asset Allocation – Moderate VP, Transamerica BlackRock Tactical Allocation VP and Transamerica JPMorgan International Moderate Growth VP, each separate series of Transamerica Series Trust, are asset allocation funds (the "Asset Allocation Funds") that invest in certain series of Transamerica Funds and may own a significant portion of the shares of an underlying fund.

Unaffiliated funds (the "Unaffiliated Funds") may invest in series of Transamerica Funds subject to the fund of funds restrictions of Section 12(d)(1) of the 1940 Act. Unaffiliated Funds with exemptive relief from the SEC may invest in an underlying fund beyond the limits of Section 12(d)(1), subject to certain terms and conditions. An Unaffiliated Fund may own a significant portion of the shares of an underlying fund.

Transactions by the Asset Allocation Funds and/or the Unaffiliated Funds may be disruptive to the management of an underlying fund. An underlying fund may experience large redemptions or investments due to transactions in fund shares by the Asset Allocation Funds and/or the Unaffiliated Funds. While it is impossible to predict the overall effect of these transactions over time, there could be an adverse impact on an underlying fund's performance. In the event of such redemptions or investments, an underlying fund could be required to sell securities or to invest cash at a time when it may not otherwise desire to do so. Such transactions may increase an underlying fund's brokerage and/or other transaction costs. In addition, when the Asset Allocation Funds and/or the Unaffiliated Funds own a substantial portion of an underlying fund's shares, a large redemption by an Asset Allocation Fund and/or an Unaffiliated Fund could cause actual expenses to increase, or could result in the underlying fund's current expenses being allocated over a smaller asset base, leading to an increase in the underlying fund's expense ratio.

Redemptions of underlying fund shares could also accelerate the realization of taxable capital gains in an underlying fund if sales of securities result in capital gains. The impact of these transactions is likely to be greater when an Asset Allocation Fund and/or an Unaffiliated Fund purchases, redeems, or owns a substantial portion of an underlying fund's shares.

When possible, TAM and/or the sub-adviser will consider how to minimize these potential adverse effects, and may take such actions as it deems appropriate to address potential adverse effects, including carrying out the transactions over a period of time, although there can be no assurance that such actions will be successful.

**Legal and Regulatory:** Legal and regulatory changes could occur that may adversely affect a fund, its investments, and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New or revised laws or regulations may be imposed by the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Internal Revenue Service, the U.S. Federal Reserve or other governmental regulatory authorities or self-regulatory organizations that could adversely affect a fund. A fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

**Leveraging:** To the extent a fund borrows or uses derivatives or other investments, such as ETFs, that have embedded leverage, your investment may be subject to heightened volatility, risk of loss and costs. Other risks also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than a fund would otherwise have, potentially resulting in the loss of all assets. A fund also may have to sell assets at inopportune times to satisfy its obligations created by the use of leverage or derivatives, or to meet segregation or coverage requirements. The use of leverage is considered to be a speculative investment practice that may result in the loss of a substantial amount, and possibly all, of a fund's assets.

**Leveraging (Transamerica ProFund UltraBear VP):** The portfolio obtains investment exposure in excess of its assets in seeking to achieve its investment objective — a form of leverage — and will lose more money in market environments adverse to its daily objective than a similar fund that does not employ such leverage. The use of leverage could result in the total loss of an investor's investment. For example, because the portfolio includes a multiplier of two times the inverse (-2x) of the Index, a single day movement in the Index approaching 50% at any point in the day could result in the total loss of an investor's investment if that movement is contrary to the investment objective of the portfolio, even if the Index subsequently moves in an opposite direction, eliminating all or a portion of the earlier movement. This would be the case with any such single day movements in the Index, even if the Index maintains a level greater than zero at all times.

**LIBOR:** Many financial instruments, financings or other transactions to which the fund may be a party use or may use a floating rate based on the London Interbank Offered Rate ("LIBOR"). LIBOR is widely used in financial markets. In 2017, the United Kingdom Financial Conduct Authority announced that it will no longer encourage nor require banks to submit rates for the calculation of LIBOR after 2021. The administrator of LIBOR recently announced a possible delay in the phase out of a majority of the U.S. dollar LIBOR publications until mid-2023, with the remainder of the LIBOR publications to end at the end of 2021. It is unclear whether LIBOR will continue to exist in its current or a modified form. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Based on the recommendations of the New York Federal Reserve's Alternative Reference Rate Committee (comprised of major derivative market participants and their regulators), the U.S. Federal Reserve began publishing a Secured Overnight Funding Rate ("SOFR") that is intended to replace U.S. Dollar LIBOR. Proposals for alternative reference rates for other currencies have also been announced or have already begun publication, such as SONIA in the United Kingdom. The transition process may lead to increased volatility and illiquidity in markets for instruments the terms of which are based on LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021. The

willingness and ability of issuers to include enhanced provisions in new and existing contracts or instruments also remains uncertain. Any of these factors may adversely affect the fund's performance or NAV.

**Liquidity:** A fund may make investments that are illiquid or that become illiquid after purchase. Investments may become illiquid due to the lack of an active market, a reduced number of traditional market participants, legal or contractual restrictions on resale, or reduced capacity of traditional market participants to make a market in securities. Regulations such as the Volcker Rule or future regulations may further constrain the ability of market participants to create liquidity, particularly in times of increased volatility. As a general matter, a reduction in the willingness or ability of dealers and other institutional investors to make markets in fixed income securities may result in even less liquidity in certain markets. Illiquid investments can be difficult to value. If a fund is forced to sell less liquid or illiquid investments to meet redemption requests or other cash needs, the fund may be forced to sell at a substantial loss (or may not be able to sell at all), and such sale may involve additional costs. In addition, securities, once sold by a fund, may not settle for an extended period (for example, several weeks or even longer). The fund will not receive its sales proceeds until that time, which may constrain the fund's ability to meet its obligations (including obligations to redeeming shareholders). Liquidity of particular investments, or even entire asset classes, including U.S. Treasury securities, can deteriorate rapidly, particularly during times of market turmoil, and those investments may be difficult or impossible for a fund to sell. This may prevent a fund from limiting losses. Further, when there is illiquidity in the market for certain investments, a fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector or asset class. A fund is required by law to maintain a liquidity risk management program to assess and manage the fund's liquidity risk. This program is intended to reduce liquidity risk, but may not achieve the desired results. Analyses and judgments made under the program may be incorrect, and changes in market conditions, which may be rapid and unexpected, may adversely affect the program.

**Loans:** Loans are subject to the credit risk of nonpayment of principal or interest. Economic downturns or increases in interest rates may cause an increase in defaults, interest rate risk and liquidity risk. Loans may or may not be collateralized at the time of acquisition, and any collateral may be relatively illiquid or lose all or substantially all of its value subsequent to investment. In the event of bankruptcy of a borrower, a fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a loan.

A fund may invest in certain commercial loans, including loans generally known as "syndicated bank loans," by acquiring participations or assignments in such loans. The lack of a liquid secondary market for such securities may have an adverse impact on the value of the securities and a fund's ability to dispose of particular assignments or participations when necessary to meet redemptions of shares or to meet a fund's liquidity needs. When purchasing a participation, a fund may be subject to the credit risks of both the borrower and the lender that is selling the participation. When purchasing a loan assignment, a fund acquires direct rights against the borrowers, but only to the extent of those held by the assigning lender. Investment in loans through a direct assignment from the financial institution's interests with respect to a loan may involve additional risks to a fund.

Junior loans, which have a lower place in the borrower's capital structure than senior loans and may be unsecured, involve a higher degree of overall risk than senior loans of the same borrower. Second lien loans are secured by the assets of the issuer. In a typical structure, the claim on collateral and right of payment of second lien loans are junior to those of first-lien loans. Subordinated bridge loans are loans that are intended to provide short-term financing to provide a "bridge" to an asset sale, bond offering, stock offering, or divestiture. Generally, bridge loans are provided by arrangers as part of an overall financing package. Typically, the issuer will agree to increasing interest rates if the loan is not repaid as expected. A subordinated bridge loan is junior to a senior bridge loan in right of payment.

There may be no active trading market for loans. Loans may have settlement periods in excess of seven days. Failure to receive sales proceeds on a timely basis may constrain a fund's ability to meet its obligations (including obligations to redeeming shareholders).

Certain courts have determined that loans are not securities and, therefore, purchasers such as a fund may not be entitled to the anti-fraud protections of the federal securities laws, including the prohibitions on insider trading.

Loans may have restrictive covenants limiting the ability of a borrower to further encumber its assets. However, in periods of high demand by lenders like a fund for loan investments, borrowers may limit these covenants and weaken a lender's ability to access collateral securing the loan; reprice the credit risk associated with the borrower; and mitigate potential loss. A fund may experience greater losses or delays and expenses in enforcing its rights with respect to loans with fewer restrictive covenants.

**Managed Risk Strategy:** Certain funds employ a managed risk strategy. The strategy attempts to stabilize the volatility of the funds around a target volatility level and manage downside exposure during periods of significant market declines but may not work as intended. Because market conditions change, sometimes rapidly and unpredictably, the success of the strategy also will be

subject to the sub-adviser's ability to implement the strategy in a timely and efficient manner. The strategy may result in periods of underperformance. The strategy may limit the funds' ability to participate in up markets, may increase transaction costs at the funds and/or underlying ETF or underlying funds level and may result in substantial losses if it does not work as intended. For example, if the fund has reduced its equity exposure to avoid losses in certain market conditions, and the market rises sharply and quickly, there may be a delay in increasing the portfolio's equity exposure, causing the portfolio to forgo gains from the market rebound. The strategy may fail to protect against market declines. Managing the funds pursuant to the strategy may result in the funds not achieving its stated asset mix goal due to unforeseen or unanticipated market conditions. The strategy also serves to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The strategy also may have the effect of limiting the amount of guaranteed benefits. A fund's performance may be lower than similar funds that are not subject to a managed risk strategy.

**Management:** The value of your investment in a fund may go down if the investment manager's or sub-adviser's judgments and decisions are incorrect or otherwise do not produce the desired results. For example, the value of your investment in a fund may go down if its investment manager's or sub-adviser's judgment about the quality, relative yield or value of, or market trends affecting, a particular security or issuer, industry, sector, region or market segment, or about the economy or interest rates, is incorrect. A fund may also suffer losses if there are imperfections, errors or limitations in the quantitative, analytic or other tools, resources, information and data used, or the analyses employed or relied on, by its investment manager or sub-adviser, if such tools, resources, information or data are used incorrectly, fail to produce the desired results or otherwise do not work as intended, or if the investment manager's or sub-adviser's investment style is out of favor or otherwise fails to produce the desired results. A fund's investment strategies may not work as intended or may otherwise fail to produce the desired results. In addition, a fund's investment strategies or policies may change from time to time. Legislative, regulatory or tax developments may also affect the investment techniques available to an investment manager or sub-adviser in connection with managing a fund. Those changes and developments may not lead to the results intended by the investment manager or sub-adviser and could have an adverse effect on the value or performance of the fund. Any of these things could cause a fund to lose value or its results to lag relevant benchmarks or other funds with similar objectives.

**Market:** The market values of a fund's securities and other assets will fluctuate, sometimes rapidly or unpredictably, due to changes in general market conditions, overall economic trends or events, government actions or interventions, actions taken by the U.S. Federal Reserve or foreign central banks, political developments, investor sentiment, public health emergencies such as a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. The market prices of securities and other assets also may go down due to events or conditions that affect particular sectors, industries, issuers, or geographies. Adverse market conditions may be prolonged and may not have the same impact on all types of securities or other assets. If the value of the securities or other assets owned by the fund fall, the value of your investment will go down. A fund may experience a substantial or complete loss on any individual security or asset.

In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers defaulted on, or were forced to restructure, their debts. These market conditions may continue, worsen or spread.

Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, technology and data interruptions, natural disasters, and other circumstances in one or more countries or regions could be highly disruptive to, and have profound impacts on, global economies or markets. As a result, whether or not a fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of a fund's investments may go down. Securities markets may also be susceptible to market manipulation or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or adversely affect the value of securities traded in these markets, including a fund's securities.

The COVID-19 pandemic has caused substantial market disruption and dislocation around the world, including in the United States. There have been periods of extreme volatility, and periods where there have been no buyers for certain securities, including U.S. Treasury securities. Some sectors of the economy and individual issuers have experienced particularly large losses. The pandemic has reduced liquidity of particular investments and asset classes; resulted in significant disruptions to business operations, including business closures; strained healthcare systems; disrupted supply chains, consumer demand and employee availability; and restricted travel. These conditions may continue for an extended period of time, or worsen. The pandemic may result in a sustained domestic or global economic downturn or recession. Developing or emerging market countries may be more adversely impacted. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known.

The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. These actions have resulted in significant expansion of public debt, including in the United States. The long-term consequences of this level of public debt are not known. In addition, certain interest rates have been reduced to very low levels. This and other government intervention into the economy and financial markets to address the pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. The COVID-19 pandemic could continue to adversely affect the value and liquidity of a fund's investments, impair a fund's ability to satisfy redemption requests, and negatively impact a fund's performance.

*Europe.* A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within or outside Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in conflicts and social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. On January 31, 2020, the United Kingdom withdrew from the European Union, commonly referred to as "Brexit." Following a transition period, the United Kingdom's post-Brexit trade agreement with the European Union passed into law in December 2020 and went into effect on January 1, 2021. There is significant market uncertainty regarding Brexit's ramifications. The range and potential implications of possible political, regulatory, economic, and market outcomes cannot be fully known but could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. The United Kingdom has one of the largest economies in Europe and is a major trading partner with the other European Union countries and the United States. Brexit may create additional and substantial economic stresses for the United Kingdom, including a contraction of the United Kingdom's economy, decreased trade, capital outflows, devaluation of the British pound, as well as a decrease in business and consumer spending and investment. The negative impact on not only the United Kingdom and European economies but also the broader global economy could be significant. Moreover, other countries may seek to withdraw from the European Union and/or abandon the euro, the common currency of the European Union. A number of countries in Europe have suffered terror attacks, and additional attacks may occur in the future. The Ukraine has experienced ongoing military conflict; this conflict may expand and military conflicts could potentially occur elsewhere in Europe. Europe has also been struggling with mass migration from the Middle East and Africa. The ultimate effects of these events and other socio-political or geopolitical issues are not known but could profoundly affect global economies and markets. Whether or not a fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries, these events could negatively affect the value and liquidity of the fund's investments.

**Master Limited Partnerships:** Investments in MLPs involve risks that differ from investments in corporate issuers, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks, certain tax risks, and risks related to the general partner's right to require unitholders to sell their common units at an undesirable time or price. MLP entities are typically focused in the energy, natural resources and real estate sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have an adverse impact on a fund. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole.

The yields for equity and debt securities of MLPs and other issuers in the energy sector are susceptible in the short-term to fluctuations in interest rates and the value of a fund's investments in such securities may decline if interest rates rise. Further, rising interest rates could adversely impact the financial performance of MLPs and other issuers in the energy sector by increasing their cost of capital. This may reduce their ability to execute acquisitions or expansion projects in a cost-effective manner. MLPs holding credit-related investments are subject to interest rate risk and the risk of default on payment obligations by debt issuers. MLPs are generally considered interest-rate sensitive investments, and during period of interest rate volatility, may not provide attractive returns.

The value of a fund's investment in MLPs depends to a significant extent on the MLPs being treated as partnerships for U.S. federal income tax purposes. If an MLP does not meet the legal requirements to maintain partnership status, it could be taxed as a corporation and there could be a material decrease in the value of its securities. In that case, the MLP would be subject to U.S. federal income taxation, and distributions received by a fund generally would be taxed as dividend income. If any of the MLPs owned by a fund were treated as corporations for U.S. federal income tax purposes, the after-tax return to a fund with respect to its

investment in such MLPs could be materially reduced, which could cause a substantial decline in the value of the fund's shares.

Depreciation or other cost recovery deductions passed through to a fund from investments in MLPs in a given year will generally reduce the fund's taxable income, but those deductions may be recaptured in the fund's income in one or more subsequent years. When recognized and distributed, recapture income will generally be taxable to shareholders at the time of the distribution at ordinary income tax rates, even though those shareholders might not have held shares in a fund at the time the deductions were taken by the fund, and even though those shareholders may not have corresponding economic gain on their shares at the time of the recapture. In order to distribute recapture income or to fund redemption requests, a fund may need to liquidate investments, which may lead to additional recapture income.

Noncorporate taxpayers are generally eligible for a deduction of up to 20% of "qualified publicly traded partnership income." A fund will not be able to claim such a deduction in respect of income allocated to it by any MLPs or other publicly traded partnerships in which it invests, and absent any additional guidance, the law does not allow noncorporate shareholders to be able to claim a deduction in respect of fund dividends attributable to any such income.

**Medium Capitalization Companies:** Investing in medium capitalization companies involves greater risk than is customarily associated with more established companies. The prices of securities of medium capitalization companies generally are more volatile and are more likely to be adversely affected by changes in earnings results and investor expectations or poor economic or market conditions. Securities of medium capitalization companies may underperform larger capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses. Such companies usually do not pay significant dividends that could cushion returns in a falling market.

**Model and Data:** Certain sub-advisers may utilize quantitative models, algorithms or calculations (whether proprietary and developed by the sub-adviser or supplied by third parties) ("Models") or information or data supplied by third parties ("Data"). Models and Data are used to construct sets of transactions and investments, to provide risk management insights, and to assist in hedging a fund's investments.

If Models and Data prove to be incorrect or incomplete, any decisions made, in whole or part, in reliance thereon expose a fund to additional risks. For example, by utilizing Models or Data, a sub-adviser may buy certain investments at prices that are priced too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. A fund bears the risk that Models or Data used by its sub-adviser will not be successful in determining the size, direction, and/or weighting of investment positions that will enable the fund to achieve its investment objective.

Models can be predictive in nature. The use of predictive Models has inherent risks. For example, such Models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), such Models may produce unexpected results, which can result in losses for a fund. Furthermore, the success of relying on or otherwise using Models depends on a number of factors, including the validity, accuracy and completeness of the Model's development, implementation and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other Data.

Models rely on, among other things, correct and complete Data inputs. If incorrect Data is entered into even a well-founded Model, the resulting information will be incorrect. However, even if Data is input correctly, Model prices may differ substantially from market prices, especially for securities with complex characteristics. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model or other factors. To address these issues, a sub-adviser evaluates the performance of the Models utilized, including Model prices and outputs versus recent transactions or similar securities, and as a result, such Models may be modified from time to time. There also can be no assurance that the use of Models will result in effective investment decisions for a fund.

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

**Mortgage-Related and Asset-Backed Securities:** The value of mortgage-related and asset-backed securities will be influenced by factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset values,

difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid, which could negatively impact the fund's net asset value. Mortgage-backed securities may be issued by private issuers, by government-sponsored entities such as Fannie Mae (formally known as Federal National Mortgage Association) or Freddie Mac (formally known as Federal Home Loan Mortgage Corporation) or by agencies of the U.S. government, such as the Government National Mortgage Association ("Ginnie Mae"). Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Unlike mortgage-related securities issued or guaranteed by agencies of the U.S. government or government-sponsored entities, mortgage-related securities issued by private issuers do not have a government or government-sponsored entity guarantee (but may have other credit enhancement), and may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. Certain asset-backed securities present a heightened level of risk because, in the event of default, the liquidation value of the underlying assets may be inadequate to pay any unpaid principal or interest.

The value of mortgage-backed and asset-backed securities may be affected by changes in credit quality or value of the mortgage loans or other assets that support the securities. Some of these securities may receive little or no collateral protection from the underlying assets. The risk of default is generally higher in the case of mortgage-backed investments that include so-called "sub-prime" mortgages. For mortgage-backed securities, when market conditions result in an increase in the default rates on the underlying mortgages and the foreclosure values of the underlying real estate are below the outstanding amount of the underlying mortgages, collection of the full amount of accrued interest and principal on these investments may be doubtful.

Mortgage-backed and asset-backed securities are subject to prepayment or call and extension risks. The structure of some of these securities may be complex and there may be less available information than for other types of debt securities. Upon the occurrence of certain triggering events or defaults, a fund may become the holder of underlying assets at a time when those assets may be difficult to sell or may be sold only at a loss.

**Mortgage-Related Securities (Transamerica Government Money Market and Transamerica BlackRock Government Money Market VP):** The value of mortgage-related securities will be influenced by factors affecting the housing market. As a result, during periods of declining asset values, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid, which could negatively impact the fund's net asset value. Mortgage-backed securities may be issued by government-sponsored entities such as Fannie Mae or Freddie Mac or by agencies of the U.S. government, such as Ginnie Mae. Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. The value of mortgage-backed securities may be affected by changes in credit quality or value of the mortgage loans. Mortgage-backed securities are subject to prepayment or call and extension risks. Some of these securities may receive little or no collateral protection from the underlying assets. The risk of default is generally higher in the case of mortgage-backed investments that include so-called "sub-prime" mortgages. The structure of some of these securities may be complex and there may be less information available than for other types of debt securities. Upon the occurrence of certain triggering events or defaults, a fund may become the holder of underlying assets at a time when those assets may be difficult to sell or may be sold only at a loss.

**Municipal Securities:** Issuers of municipal securities tend to derive a significant portion of their revenue from taxes, particularly property and income taxes, and decreases in personal income levels and property values and other unfavorable economic factors, such as a general economic recession, adversely affect municipal securities. Municipal issuers may also be adversely affected by rising health care costs, increasing unfunded pension liabilities and by the phasing out of federal programs providing financial support. Where municipal securities are issued to finance particular projects, especially those relating to education, health care, transportation, housing, water or sewer and utilities, issuers often depend on revenues from those projects to make principal and interest payments. Adverse conditions and developments in those sectors can result in lower revenues to issuers of municipal securities and can also have an adverse effect on the broader municipal securities market. To the extent a fund invests significantly in a single state, or in securities the payments on which are dependent upon a single project or source of revenues, or that relate to a sector or industry, such as health care, the fund will be more susceptible to associated risks and developments. Municipal issuers may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. A number of municipal issuers have defaulted on obligations, commenced insolvency proceedings, or suffered credit downgrading. Financial difficulties of municipal issuers may continue to worsen.

There may be less public information available on municipal issuers or projects than other issuers, and valuing municipal securities may be more difficult. In addition, the secondary market for municipal securities is less well developed and liquid than other markets, and dealers may be less willing to offer and sell municipal securities in times of market turbulence. Changes in the

financial condition of one or more individual municipal issuers (or one or more insurers of municipal issuers), or one or more defaults by municipal issuers or insurers, can adversely affect liquidity and valuations in the overall market for municipal securities. The value of municipal securities can also be adversely affected by regulatory and political developments affecting the ability of municipal issuers to pay interest or repay principal, actual or anticipated tax law changes or other legislative actions, and by uncertainties and public perceptions concerning these and other factors.

The rate of interest paid on municipal securities normally is lower than the rate of interest paid on fully taxable securities. Some municipal securities, such as general obligation issues, are backed by the issuer's taxing authority, while other municipal securities, such as revenue issues, are backed only by revenues from certain facilities or other sources and not by the issuer itself.

The municipal market can be susceptible to unusual volatility, particularly for lower-rated and unrated securities. Liquidity can be reduced unpredictably in response to overall economic conditions or credit tightening.

To the extent that a fund invests in municipal securities whose issuers are located in a single state, such as California, the fund will be more susceptible to economic, political and other developments that may adversely affect issuers in that state than are funds whose portfolios are more geographically diverse. These developments may include state or local legislation or policy changes, voter-passed initiatives, erosion of the tax base or reduction in revenues of the state or one or more local governments, the effects of terrorist acts or the threat of terrorist acts, the effects of possible natural disasters, or other economic or credit problems affecting the state generally or any individual locality. The major sources of revenues for local government, property taxes and sales taxes, as well as fees based on real estate development, are all adversely affected by the recent economic recession. Unfavorable developments in any economic sector may adversely affect a particular state's overall municipal market. Historically, California's economy has been more volatile than that of the nation as a whole. Although California has a relatively diversified economy, California has concentrations in high technology, trade, entertainment, agriculture, manufacturing, tourism, construction, government and services.

Investment in municipal securities of issuers in U.S. territories may have more risks than in tax-exempt securities issued by other issuers.

Municipal securities issued by the Commonwealth of Puerto Rico or its agencies carry substantial risks. Beginning in 2017, the Commonwealth and its Sales Tax Financing Corporation, Highways and Transportation Authority, Employees' Retirement System, Electric Power Authority, and Public Buildings Authority entered into the equivalent of municipal bankruptcy proceedings, known as "PROMESA Title III" cases. As a result of the PROMESA cases, these entities are unable to issue new municipal securities and will remain unable to do so unless and until the courts have approved their respective "plans of adjustment" that restructure their debts, which is not expected to occur until 2021 or later, and the prevailing conditions at that time are impossible to predict. Also as a result of the PROMESA cases, these entities' outstanding municipal securities, which trade on the secondary market, are receiving no recoveries and will not have any recoveries unless and until the courts have approved their respective plans of adjustment. Further, in several litigations within the PROMESA cases, many if not all of these entities' outstanding municipal securities have been attacked as unconstitutionally or otherwise invalidly issued and thus entitled to no recovery whatsoever. In addition, PROMESA is a novel federal law and many of its provisions have been disputed. Even agencies of the Commonwealth that are not currently debtors in PROMESA proceedings at this time (including the Aqueduct and Sewer Authority, which restructured in 2019 under PROMESA Title VI) may enter such proceedings in the future and, in any event, can be expected to be subject to many of the same stressors that caused the foregoing agencies to enter such proceedings. For these and other reasons, the timing (which could be years) and rate of recovery (which could be zero) on municipal securities that have been or will be issued by the Commonwealth of Puerto Rico or any of its agencies are highly unpredictable.

**Natural Resource-Related Securities:** Securities of companies involved with natural resources may be subject to significant price fluctuations, reflecting the volatility of energy and basic materials' prices, possible instability of supply and changes in demand or inflation. In addition, some companies may be subject to the risks generally associated with extraction of natural resources and the risks of the hazards associated with natural resources.

**New Fund:** If a fund is newly-formed, investors in the fund bear the risk that the sub-adviser may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, or that the fund may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the fund being liquidated at any time without shareholder approval and at a time that may not be favorable for shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur the expenses of liquidation.



**Non-Diversification:** As a “non-diversified” fund, a fund may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent a fund invests its assets in a smaller number of issuers, it may be more susceptible to risks associated with a single economic, political or regulatory occurrence or other negative events affecting those issuers than a diversified fund.

**Operational:** Your ability to transact with a fund or the valuation of your investment may be negatively impacted because of the operational risks arising from factors such as processing errors and human errors, inadequate or failed internal or external processes, failures in systems and technology (including as a result of cybersecurity incidents), changes in personnel, and errors caused by third party service providers or trading counterparties. It is not possible to identify all of the operational risks that may affect a fund or to develop processes and controls that completely eliminate or mitigate the occurrence of such failures. A fund and its shareholders could be negatively impacted as a result.

**Passive Investment (Transamerica 60/40 Allocation VP):** Because the sub-adviser of an underlying portfolio seeking to track an index does not select individual companies in the index that the underlying portfolio tracks, the underlying portfolio may hold securities of companies that present risks that an investment adviser researching individual securities might seek to avoid.

**Passive Strategy/Index (Transamerica MSCI EAFE Index VP, Transamerica S&P 500 Index VP, and Transamerica Stock Index):** The portfolio is managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities, regardless of the current or projected performance of its underlying index or of the actual securities comprising its underlying index. This differs from an actively-managed fund, which typically seeks to outperform a benchmark index. As a result, the portfolio’s performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of the portfolio’s underlying index will affect the performance, volatility, and risk of the underlying index and, consequently, the performance, volatility, and risk of the portfolio.

**Portfolio Turnover (Transamerica ProFund UltraBear VP):** The portfolio may incur high portfolio turnover to manage the portfolio’s investment exposure. Also, active trading of the portfolio’s shares may cause more frequent purchase and sales activities that could, in certain circumstances, increase the number of portfolio transactions. High levels of transactions increase brokerage and other transaction costs and may result in increased taxable capital gains. Each of these factors could have a negative impact on the performance of the portfolio. The portfolio’s portfolio turnover rate may vary from year to year, as well as within a year.

**Precious Metals-Related Securities:** Investments in precious metals-related securities are considered speculative and are affected by a variety of worldwide economic, financial and political factors. Prices of precious metals and of precious metals-related securities historically have been very volatile. The high volatility of precious metals prices may adversely affect the financial condition of companies involved with precious metals. The production and sale of precious metals by governments or central banks or other larger holders can be affected by various economic, financial social and political factors, which may be unpredictable and may have a significant impact on the prices of precious metals. Other factors that may affect the prices of precious metals and securities related to them include changes in inflation, the outlook for inflation and changes in industrial and commercial demand for precious metals.

**Preferred Stock:** Preferred stock represents an interest in a company that generally entitles the holder to receive, in preference to the holders of the company’s common stock, dividends and a fixed share of the proceeds resulting from any liquidation of the company. Preferred stock’s right to dividends and liquidation proceeds is junior to the rights of a company’s debt securities. Preferred stocks may pay fixed or adjustable rates of return. The value of preferred stock may be subject to factors that affect fixed income and equity securities, including changes in interest rates and in a company’s creditworthiness. The value of preferred stock tends to vary more with fluctuations in the underlying common stock and less with fluctuations in interest rates and tends to exhibit greater volatility. Shareholders of preferred stock may suffer a loss of value if dividends are not paid. Preferred stock does not generally carry voting rights.

**Prepayment or Call:** Many fixed income securities give the issuer the option to repay or call the security prior to its maturity date. Issuers often exercise this right when interest rates fall. Accordingly, if a fund holds a fixed income security subject to prepayment or call risk, it will not benefit fully from the increase in value that other fixed income securities generally experience when interest rates fall. Upon prepayment of the security, a fund would also be forced to reinvest the proceeds at then current yields, which would be lower than the yield of the security that was paid off. This may adversely affect a fund’s net asset value. In addition, if a fund purchases a fixed income security at a premium (at a price that exceeds its stated par or principal value), the fund may lose the amount of the premium paid in the event of prepayment.

**Privately Placed and Other Restricted Securities:** Restricted securities, which include private placements of private and public companies, are subject to legal or contractual restrictions on their resale. Restricted securities may be difficult to sell at the time and price a fund prefers. Restricted Securities include securities eligible for resale pursuant to Rule 144A, and securities of U.S. and non-U.S. issuers initially offered and sold outside the United States pursuant to Regulation S. Restricted securities also include private placements of securities with agreed upon contractual restrictions on the resale of such securities that are in addition to applicable legal restrictions.

Restricted securities may be difficult to value properly and may involve greater risks than securities that are not subject to restrictions on resale. Restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility. Also, a fund may get only limited information about the issuer of a given restricted security, and therefore may be less able to predict a loss. Restricted securities may involve a high degree of business and financial risk, which may result in substantial losses.

An insufficient number of eligible buyers interested in purchasing restricted securities held by a fund could adversely affect the marketability of such securities and a fund might be unable to dispose of such securities promptly or at reasonable prices. For this reason, restricted securities may adversely affect a fund's overall liquidity if eligible buyers are or become uninterested in buying them at a particular time.

Restricted securities may not be listed on an exchange and may have no active trading market. A fund may not always be able to sell such securities without experiencing delays in finding buyers or reducing the sale price for such securities. A fund may incur additional expense when disposing of restricted securities, including all or a portion of the cost to register the securities for resale, and other transaction costs which may be higher for restricted securities than unrestricted securities.

**Real Estate Securities:** Investments in the real estate industry are subject to risks associated with direct investment in real estate. These risks may include, without limitation:

- declining real estate value
- risks relating to general and local economic conditions
- over-building
- increased competition for assets in local and regional markets
- increases in property taxes
- increases in operating expenses or interest rates
- change in neighborhood value or the appeal of properties to tenants
- insufficient levels of occupancy
- inadequate rents to cover operating expenses

The performance of securities issued by companies in the real estate industry also may be affected by prudent management of insurance risks, adequacy of financing available in capital markets, competent management, changes in applicable laws and government regulations (including zoning, environmental, and tax laws) and social and economic trends.

If the fund's real estate-related investments are concentrated in one geographic area or one property type, the fund will also be subject to the risks associated with that one area or property type. The value of the fund's real estate-related securities will not necessarily track the value of the underlying investments of the issuers of such securities.

**Recent Events:** The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and major disruption to economies and markets around the world, including the United States. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of a portfolio's investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the U.S. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, may not be known for some time. The consequences of high public debt, including its future impact on the economy and securities markets, likewise may not be known for some time.

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

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

**Redemption:** A fund may experience periods of heavy redemptions that could cause the fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. In that event, the value of your investment in the fund would go down. Redemption risk is greater to the extent that a fund has investors with large shareholdings, short investment horizons, or unpredictable cash flow needs. In addition, redemption risk is heightened during periods of overall market turmoil. The redemption by one or more large shareholders of their holdings in a fund could hurt performance and/or cause the remaining shareholders in the fund to lose money. Further, a fund's redemption risk is increased if one decision maker has control of fund shares owned by separate fund shareholders, including clients or affiliates of the investment manager and/or sub-adviser.

**Regulatory:** In recent years, the U.S. government adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives as well as margin, reporting and registration requirements. Additional U.S. or other regulations may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives. The Dodd-Frank Wall Street Reform Act (the "Reform Act") substantially increased regulation of the over-the-counter ("OTC") derivatives market and participants in that market, including imposing clearing and reporting requirements on transactions involving instruments that fall within the Reform Act's definition of "swap" and "security-based swap," which terms generally include OTC derivatives, and imposing registration and potential substantive requirements on certain swap and security-based swap market participants. In addition, under the Reform Act, a fund may be subject to additional recordkeeping and reporting requirements. In 2020, the SEC adopted new Rule 18f-4 under the 1940 Act, which provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as a fund, and set limits on a fund's investments in derivatives. Compliance with the rule is not required until Summer 2022, but the rule may impact the fund's use of derivatives before that date. The SEC has also adopted new Rule 12d1-4 under the 1940 Act, which provides an enhanced regulatory framework applicable to fund of fund arrangements. The ultimate impact of the new rules remains unclear. Legislation or regulation may also change the way in which a fund itself is regulated. The impact of any new governmental regulation that may be implemented on the ability of a fund to use swaps or any other financial derivative product is not known at this time, and there can be no assurance that any new governmental regulation will not adversely affect the fund's ability to achieve its investment objective.

**REITs:** Investing in real estate investment trusts ("REITs") involves unique risks. When a fund invests in REITs, it is subject to risks generally associated with investing in real estate. A REIT's performance depends on the types and locations of the properties it owns, how well it manages those properties and cash flow. A decline in rental income could occur because of extended vacancies, increased competition from other properties, tenants' failure to pay rent or poor management. A REIT's performance also depends on the company's ability to finance property purchases and renovations and manage its cash flows. Because REITs are typically invested in a limited number of projects or in a particular market segment, they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. REITs may have limited financial resources, may trade less frequently and in limited volume, may engage in dilutive offerings, and may be subject to more abrupt or erratic price movements than the overall securities markets. In addition to its own expenses, a fund will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests. U.S. REITs are subject to a number of highly technical tax-related rules and requirements. A failure to qualify for the favorable U.S. federal income tax treatment generally available to U.S. REITs, or changes in the treatment of U.S. REITs under U.S. federal tax law, could adversely affect the value of a particular U.S. REIT or the market for U.S. REITs as a whole.

**Repurchase Agreements:** In a repurchase agreement, a fund purchases securities from a broker-dealer or a bank, called the counterparty, upon the agreement of the counterparty to repurchase the securities from the fund at a later date, and at a specified price, which is typically higher than the purchase price paid by the fund. The securities purchased serve as the fund's collateral for the obligation of the counterparty to repurchase the securities. If the counterparty does not repurchase the securities, the fund is entitled to sell the securities, but the fund may not be able to sell them for the price at which they were purchased, thus causing a loss. If the counterparty becomes insolvent, there is some risk that the fund will not have a right to the securities, or the immediate right to sell the securities.

**Reverse Repurchase Agreements:** Reverse repurchase agreements, in which a fund transfers securities to a counterparty in return for cash and agrees to repurchase the securities at a later date for a higher price, are a form of leverage, may make the fund's share price more volatile, and may increase the risks and costs of investing in a fund. A fund may be required to liquidate positions when it may not be advantageous to do so in order to satisfy its borrowing obligations or meet its segregation requirements.

**Risk Management Framework:** Certain portfolios are subject to a multi-factor risk management framework that is intended to reduce equity exposure under certain market conditions. This framework may impose a maximum equity exposure limit for the portfolio in response to individual asset class momentum signals and a portfolio level volatility signal. The framework is intended to improve the portfolio's absolute and risk-adjusted returns but may not work as intended. The framework may result in the portfolio not achieving its stated asset mix goal or may cause the portfolio to underperform, possibly significantly. Because market conditions change, sometimes rapidly and unpredictably, the success of the framework also will be subject to the sub-adviser's ability to implement the framework in a timely and efficient manner. The framework may limit the portfolio's ability to participate in up markets, may increase transaction costs at the portfolio and/or underlying portfolio level and may result in substantial losses if it does not work as intended. For example, if the portfolio has reduced its equity exposure to avoid losses in certain market conditions, and the market rises sharply and quickly, there may be a delay in increasing the portfolio's equity exposure, causing the portfolio to forgo gains from the market rebound. The framework may fail to protect against market declines. The framework incorporates quantitative models and signals. If those models or signals prove to be flawed or for other reasons do not produce the desired results, any decisions made in reliance thereon may expose the portfolio to additional risks and losses. The use of models has inherent risks, and the success of relying on or otherwise using a model depends, among other things, on the accuracy and completeness of the model's development, implementation and maintenance; on the model's assumptions and methodologies; and on the accuracy and reliability of the inputs and output of the model. The framework also serves to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The framework also may have the effect of limiting the amount of guaranteed benefits. The portfolio's performance may be lower than similar portfolios that are not subject to a risk management framework. The use of derivatives in connection with the framework may expose the portfolio to different and potentially greater risks than if it had only invested in underlying portfolios.

**Securities Lending:** Each fund, except as noted below, may lend securities to other financial institutions that provide cash or U.S. government or agency securities as collateral. When a fund lends portfolio securities, its investment performance will continue to reflect changes in the value of the securities loaned, and the fund will also receive a fee or interest on the collateral. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a fund may lose money and there may be a delay in recovering the loaned securities. A fund could also lose money if it does not recover the securities and/or the value of the cash or non-cash collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for a fund.

Transamerica Government Money Market and Transamerica BlackRock Government Money Market VP do not participate in securities lending.

**Short Positions:** Certain funds may enter into derivatives transactions that have a similar economic effect as short sales such as taking short positions in futures contracts. A fund will incur a loss as a result of a short position if the price of the asset sold short increases in value between the date of the short position sale and the date on which an offsetting position is purchased. Short positions may be considered speculative transactions and involve special risks that could cause or increase losses or reduce gains, including greater reliance on the investment adviser's ability to accurately anticipate the future value of a security or instrument, potentially higher transaction costs, and imperfect correlation between the actual and desired level of exposure. Because a fund's potential loss on a short position arises from increases in the value of the asset sold short, the extent of such loss, like the price of the asset sold short, is potentially unlimited.

**Short Sales:** A short sale may be effected by selling a security that a fund does not own. In order to deliver the security to the purchaser, a fund borrows the security, typically from a broker-dealer or an institutional investor. A fund later closes out the position by returning the security to the lender. If the price of the security sold short increases, a fund would incur a loss; conversely, if the price declines, a fund will realize a gain. Although the gain is limited by the price at which the security was sold short, the loss is potentially unlimited. A fund's use of short sales in an attempt to improve performance or to reduce overall portfolio risk may not be successful and may result in greater losses or lower positive returns than if a fund held only long positions. A fund may be unable to close out a short position at an acceptable price, and may have to sell related long positions at disadvantageous times to produce cash to unwind a short position. Short selling involves higher transaction costs than typical long-only investing. A fund may also take a short position in a derivative instrument, such as a forward, future or swap.

A short sale may also be effected “against the box” if, at all times when the short position is open, a fund contemporaneously owns or has the right to obtain at no additional cost securities identical to those sold short. In the event that a fund were to sell securities short “against the box” and the price of such securities were to then increase rather than decrease, a fund would forego the potential realization of the increased value of the shares sold short.

**Short Sale Exposure (Transamerica ProFund UltraBear VP):** The portfolio may seek short exposure through financial instruments which would cause the portfolio to be exposed to certain risks associated with selling short. These risks include, under certain market conditions, an increase in the volatility and decrease in the liquidity of the instruments underlying the short position, which may adversely impact the portfolio's return, result in a loss, have the effect of limiting the portfolio's ability to obtain short exposure through financial instruments, or require the portfolio to seek short exposure through alternative investment strategies that may be less desirable or may be costly to implement. To the extent that, at any particular point in time, the instruments underlying the short position may be thinly traded or have a limited market, including due to regulatory action, the portfolio may be unable to meet its investment objective (e.g., due to a lack of a counterparty or counterparties). Obtaining short exposure through these instruments may be considered an aggressive investment technique.

**Small and Medium Capitalization Companies:** Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. The prices of securities of small and medium capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small and medium capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses. Smaller capitalization companies often have limited product lines, markets, or financial resources and their management may lack depth and experience. Such companies usually do not pay significant dividends that could cushion returns in a falling market.

**Small Capitalization Companies:** Investing in small capitalization companies involves greater risk than is customarily associated with more established companies. The prices of securities of small capitalization companies generally are more volatile than those of larger capitalization companies and are more likely to be adversely affected than larger capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small capitalization companies may underperform larger capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses. Small capitalization companies often have limited product lines, markets, or financial resources and their management may lack depth and experience. Such companies usually do not pay significant dividends that could cushion returns in a falling market.

**Smart Beta Investing:** Smart beta strategies seek to capture broad, consistent drivers of return and to out-perform traditional index strategies. These strategies may not work as intended. An underlying ETF pursuing a smart beta strategy may not achieve its objective and may not perform as well as other portfolios using other asset management strategies.

**Sovereign Debt:** Sovereign debt instruments, which are debt obligations issued or guaranteed by a foreign governmental entity, are subject to the risk that the governmental entity may delay or fail to pay interest or repay principal on debt that it has issued or guaranteed, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, relationships with other lenders such as commercial banks, the relative size of the governmental entity's debt position in relation to the economy or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a governmental entity defaults, it may ask for more time in which to pay or for further loans, the debt may be restructured, or it may ask for forgiveness of interest or principal on its existing debt. Unlike most corporate debt restructurings, the fees and expenses of

financial and legal advisers to the creditors in connection with a restructuring may be borne by the holders of the sovereign debt securities instead of the sovereign entity itself. On the other hand, a governmental entity may be unwilling to renegotiate the terms of its sovereign debt. There is no established legal process for a U.S. bondholder (such as a fund) to enforce its rights against a governmental entity that does not fulfill its obligations, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

Certain countries in Europe currently have large sovereign debts and/or fiscal deficits which has led to significant uncertainties in the market as to whether or not the governments of those countries will be able pay in full and on time the amounts due in respect of those debts.

**Strategies and Styles:** Investment strategies and styles with different characteristics tend to shift in and out of favor depending upon market and economic conditions as well as investor sentiment. A fund may outperform or underperform other funds that employ a different strategy or style. A fund may employ a combination of strategies and/or styles that impact its risk characteristics.

**Structure Conflicts:** TAM has established an investment program whereby a substantial portion of the assets of certain funds are invested in underlying Transamerica funds. TAM does not consider unaffiliated funds as underlying investment options for these assets, even if unaffiliated funds have better investment performance or lower total expenses.

TAM has established an investment program whereby a portion, and in some cases a substantial portion, of the assets of certain portfolios are invested in underlying Transamerica funds or Transamerica sponsored ETFs. TAM has an incentive to include Transamerica funds and Transamerica-sponsored ETFs as underlying investment options for these assets, even if unaffiliated funds or ETFs have better investment performance or lower total expenses. For certain of these portfolios TAM does not consider unaffiliated funds as underlying investment options for portfolio assets.

**Structured Instruments:** A fund may invest in, or have exposure to, various types of structured instruments, including securities that have demand, tender or put features, or interest rate reset features. These may include instruments issued by structured investment or special purpose vehicles or conduits, and may be asset-backed or mortgage-backed securities. Structured instruments may take the form of participation interests or receipts in underlying securities or other assets, and in some cases are backed by a financial institution serving as a liquidity provider. Some of these instruments may have an interest rate swap feature which substitutes a floating or variable interest rate for the fixed interest rate on an underlying security, and some may be asset-backed or mortgage-backed securities. Structured instruments are a type of derivative instrument and the payment and credit qualities of these instruments derive from the assets embedded in the structure from which they are issued. For structured securities that have embedded leverage features, small changes in interest or prepayment rates may cause large and sudden price movements. Structured instruments may be less liquid and therefore more difficult to value accurately than more traditional securities and instruments. Structured instruments may behave in ways not anticipated by a fund, or they may not receive the tax, accounting or regulatory treatment anticipated by a fund.

**Subsidiary:** Certain portfolios invest (directly, or through one or more underlying portfolios, indirectly) in one or more entities organized under the laws of the Cayman Islands (a “Cayman Entity”). By investing in a Cayman Entity, a portfolio will be indirectly exposed to the risks associated with the Cayman Entity’s investments. The derivatives and other investments that will be held by a Cayman Entity are generally similar to those that are permitted to be held by the portfolio, or in the case of an indirect investment, the applicable underlying portfolio, and will be subject to the same risks that apply to similar investments if held directly by the underlying portfolio. There can be no assurance that the investment objectives of a Cayman Entity will be achieved. A Cayman Entity is generally not registered under the Investment Company Act, and, unless otherwise noted in the applicable fund’s prospectus, is not subject to the investor protections of the Investment Company Act. Certain regulated investment companies received private letter rulings from the IRS with respect to their investments in Cayman Entities. The IRS is no longer issuing private letter rulings on structures of this kind. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of a portfolio, an underlying portfolio and/or a Cayman Entity to operate as anticipated and could adversely affect the portfolio.

**Sustainability and Environmental, Social and Governance (“ESG”) Considerations:** Applying sustainability and/or ESG factors as part of a fund’s security selection process may impact a sub-adviser’s investment decisions. Sustainability and ESG factors are not uniformly defined and applying such factors involves subjective assessments. Sustainability and ESG ratings and assessments of issuers can vary across third party data providers and may change over time. Sustainability and ESG factors can be difficult to apply consistently across issuers, regions, countries, industries or sectors. The application of these factors could negatively impact a fund’s performance.

**Sustainability Investing:** Applying a sustainability assessment framework to a sub-adviser's investment analysis for a fund may impact the sub-adviser's investment decisions as to securities of certain issuers and, therefore, the fund may forgo some investment opportunities available to funds that do not apply sustainability investing principals or that apply different sustainability criteria. Securities of companies meeting the sub-adviser's sustainability criteria may shift into and out of favor depending on market and economic conditions, and a fund's performance may at times be better or worse than the performance of similar funds that do not utilize sustainability investing principals or that apply different sustainability criteria. The sub-adviser monitors the fund's holdings based on the latest publicly available information. Any delay in obtaining public information regarding a fund's holdings could result in the fund holding an investment that no longer meets the fund's sustainability investing principals. "Sustainability" is not a uniformly defined characteristic and applying sustainability criteria involves subjective assessment.

**Tactical and Strategic Asset Allocation:** Certain funds may utilize a tactical asset allocation strategy, which involves making short-term adjustments to a fund's asset mix, utilizing the sub-adviser's research on various risk and return considerations, in an effort to optimize returns relative to risks as market and economic conditions change. Strategic asset allocation strategy is similar, but with a somewhat longer-term outlook. These strategies tend to produce higher turnover than those that adhere to a longer term outlook, which may result in higher transaction costs. These strategies may not work as intended. A fund may not achieve its objective and may not perform as well as other funds using other asset management strategies.

**Tactical Asset Allocation:** Tactical asset allocation is an investment strategy that actively adjusts a fund's asset allocation. A fund's tactical asset management discipline may not work as intended. A fund may not achieve its objective and may not perform as well as other funds using other asset management styles, including those based on fundamental analysis (a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other factors) or strategic asset allocation (a strategy that involves periodically rebalancing the fund in order to maintain a long-term goal for asset allocation). This strategy may not work as intended. The sub-adviser's evaluations and assumptions in selecting underlying funds or individual securities may be incorrect in view of actual market conditions, and may result in owning securities that underperform other securities. The management process might also result in a fund having exposure to asset classes, countries or regions, or industries or groups of industries that underperform other management styles. In addition, a fund's risk profile with respect to particular asset classes, countries and regions, and industries may change at any time based on the sub-adviser's allocation decisions.

**Tax:** In order to qualify for treatment as a regulated investment company (a "RIC") under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), a fund must meet certain requirements regarding the composition of its income, the diversification of its assets, and the amounts of its distributions. In particular, a fund must generally diversify its holdings so that, at the end of each quarter of each taxable year, at least 50% of the value of the fund's total assets is represented by (1) cash and cash items, U.S. government securities, securities of other regulated investment companies, and (2) other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of the fund's total assets and to not more than 10% of the outstanding voting securities of such issuer. If a fund were to fail to meet any of these requirements, the fund might not be eligible for treatment as a RIC, in which case it would be subject to federal income tax on its net income at the corporate rate (without reduction for distributions to shareholders). The fund may be able to preserve its RIC qualification by meeting certain conditions, in which case it may be subject to certain additional taxes.

Any income a fund derives from investments in certain hard asset ETFs, such as certain commodity ETFs, and from other non-qualifying sources must be limited to a maximum of 10% of the fund's gross income. If a fund fails to meet the 10% requirement, the fund may be subject to the federal income tax consequences described in the preceding paragraph. A fund may invest no more than 25% of its total assets in the securities of entities treated as qualified publicly traded partnerships for federal income tax purposes. If a fund fails to meet the 25% requirement, the fund may be subject to the federal income tax consequences described in the preceding paragraph.

An MLP is an entity treated as a partnership under the Internal Revenue Code, the partnership interests of which are traded on securities exchanges like shares of corporate stock. To qualify as an MLP, an entity must receive at least 90% of its income from qualifying sources such as interest, dividends, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. For this purpose, mineral or natural resources activities include exploration, development, production, mining, refining, marketing and transportation (including pipelines) of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. If it does not so qualify, it will generally be subject to tax as a corporation.

Depreciation or other cost recovery deductions passed through to a fund from investments in MLPs in a given year will generally reduce the fund's taxable income, but those deductions may be recaptured in the fund's income in one or more subsequent years.

When recognized and distributed, recapture income will generally be taxable to shareholders at the time of the distribution at ordinary income tax rates, even though those shareholders might not have held shares in the fund at the time the deductions were taken by the fund, and even though those shareholders may not have corresponding economic gain on their shares at the time of the recapture. In order to distribute recapture income or to fund redemption requests, a fund may need to liquidate investments, which may lead to additional recapture income.

**Tax (Commodity Exposure) (Transamerica Morgan Stanley Global Allocation Managed Risk – Balanced VP and Transamerica Morgan Stanley Global Allocation VP):** Certain portfolios (directly, or through one or more underlying portfolios, indirectly) may seek to gain exposure to the commodity markets primarily through investments in commodity-linked notes and through investments in a subsidiary. The tax treatment of commodity-linked notes, other commodity-linked derivatives and a portfolio's investments in a subsidiary may be adversely affected by future legislation, Treasury Regulations and/or guidance issued by the IRS that could, among other things, affect the character, timing and/or amount of a portfolio's taxable income or gains and of distributions made by a portfolio.

**Taxable Investments (Transamerica Intermediate Muni and Transamerica High Yield Muni):** Although distributions of interest income from each fund's tax-exempt securities are generally exempt from regular federal income tax, each fund's distributions from other sources, including capital gain distributions, and any gains on the sale of each fund's shares are not. In addition, the interest on each fund's municipal securities could become subject to regular federal income tax due to noncompliant conduct by issuers, unfavorable legislation or litigation, or adverse interpretations by regulatory authorities. You should consult a tax adviser about whether the alternative minimum tax applies to you and about state and local taxes on your fund distributions.

**To Be Announced (TBA) Transactions:** Although the securities that are delivered in TBA transactions must meet certain standards, there is a risk that the actual securities received by a fund may be less favorable than what was anticipated when entering into the transaction. TBA transactions also involve the risk that a counterparty will fail to deliver the security, exposing a fund to further losses. Whether or not a fund takes delivery of the securities at the termination date of a TBA transaction, it will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

**Underlying Exchange-Traded Funds:** To the extent a fund invests its assets in underlying ETFs, its ability to achieve its investment objective will depend in part on the performance of the underlying ETFs in which it invests. Investing in underlying ETFs subjects a fund to the risks of investing in the underlying securities or assets held by those ETFs. Each of the underlying ETFs in which a fund may invest has its own investment risks, and those risks can affect the value of the underlying ETFs' shares and therefore the value of a fund's investments. There can be no assurance that the investment objective of any underlying ETF will be achieved. To the extent that a fund invests more of its assets in one underlying ETF than in another, the fund will have greater exposure to the risks of that underlying ETF. In addition, the fund will bear a pro rata portion of the operating expenses of the underlying ETFs in which it invests.

An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange-traded) that has the same investment objectives, strategies and policies. The price of an ETF can fluctuate up and down, and a fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to certain risks that do not apply to conventional funds, including: (i) the market price of an ETF's shares may be above or below the shares' net asset value; (ii) during periods of market volatility, the share prices of ETFs may deviate significantly from their NAVs; (iii) an active trading market for an ETF's shares may not develop or be maintained; (iv) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally, or trading in one or more of the ETF's underlying securities is halted, which could result in the ETF being more volatile; or (v) a limited number of institutions may act as authorized participants to create or redeem block-sized units of ETF shares. In the event substantial market or other disruptions affecting ETFs should occur in the future, the liquidity and value of a fund's shares could also be substantially and adversely affected.

**Underlying Funds:** When a fund invests its assets in various underlying funds, its ability to achieve its investment objective depends largely on the performance of the underlying funds in which it invests. Investing in underlying funds subjects a fund to the risks of investing in the underlying securities or assets held by those underlying funds. Each of the underlying funds in which a fund may invest has its own investment risks, and those risks can affect the value of the underlying funds' shares and therefore the value of the fund's investments. There can be no assurance that the investment objective of any underlying fund will be achieved. To the extent that a fund invests more of its assets in one underlying fund than in another, the fund will have greater exposure to the risks of that underlying fund. In addition, the fund will bear a pro rata portion of the operating expenses of the underlying funds in which



it invests.

**Underlying Government Money Market Funds (Transamerica Government Money Market and Transamerica BlackRock Government Money Market VP):** The fund may invest in other government money market funds. Each of the underlying government money market funds in which the fund may invest has its own investment risks. There can be no assurance that the investment objective of any underlying government money market fund will be achieved. In addition, the fund will bear a pro rata portion of the operating expenses of the underlying government money market funds in which it invests.

**Underlying Portfolios:** When a portfolio invests its assets in various underlying portfolios, its ability to achieve its investment objective depends largely on the performance of the underlying portfolios in which it invests. Investing in underlying portfolios subjects a portfolio to the risks of investing in the underlying securities or assets held by those underlying portfolios. Each of the underlying portfolios in which a portfolio may invest has its own investment risks, and those risks can affect the value of the underlying portfolios' shares and therefore the value of the portfolio's investments. There can be no assurance that the investment objective of any underlying portfolio will be achieved. To the extent that a portfolio invests more of its assets in one underlying portfolio than in another, the portfolio will have greater exposure to the risks of that underlying portfolio. In addition, the portfolio will bear a pro rata portion of the operating expenses of the underlying portfolios in which it invests.

**Underlying Transamerica-Sponsored Exchange Traded Funds (Transamerica Managed Risk – Balanced ETF VP, Transamerica Managed Risk – Conservative ETF VP and Transamerica Managed Risk – Growth ETF VP):** The portfolios invest in Transamerica-sponsored ETFs. As of the date of this Brochure, the portfolios hold a large portion of the outstanding shares or represent a large percentage of the trading volume of certain Transamerica-sponsored ETFs. This may prevent a portfolio from selling shares of a Transamerica-sponsored ETF on the exchange at such times or price or in such amounts as it may otherwise desire. These risks are in addition to other risks of investing in ETFs.

TAM and the sub-adviser face actual and potential conflicts of interest with respect to the sub-adviser's allocation of the portfolios' assets among Transamerica-sponsored ETFs and unaffiliated ETFs. TAM serves as the investment manager and the portfolios' sub-adviser serves as the sub-adviser to the Transamerica-sponsored ETFs. TAM and the sub-adviser will receive more revenue when the sub-adviser selects a Transamerica-sponsored ETF rather than an unaffiliated ETF for inclusion in a portfolio. This conflict may provide an incentive for the sub-adviser to select Transamerica-sponsored ETFs underperform unaffiliated ETFs and/or have higher expense ratios than unaffiliated ETFs. TAM and the sub-adviser also have an incentive to provide scale to the Transamerica-sponsored ETFs to improve the viability of the ETFs and to reduce their expenses. The sub-adviser also has an incentive to take into account the effect on a Transamerica-sponsored ETF in determining whether, and under what circumstances, to purchase or sell shares in that Transamerica-sponsored ETF. TAM, the sub-adviser and the portfolios have adopted practices, policies and procedures that are intended to identify, manage and, where possible, mitigate conflicts of interest. There is no assurance, however, that these practices, policies and procedures will be effective. A further discussion of conflicts of interest appears in the applicable fund's prospectus and in the Statement of Additional Information. These discussions are not, and are not intended to be, a complete enumeration or description of all the actual and potential conflicts that may arise.

**U.S. Government and Agency Obligations:** Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. government that are supported by the full faith and credit of the U.S. government, such as the Federal Housing Administration and Ginnie Mae, present little credit risk. Other securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the issuer's right to borrow from the U.S. Treasury, subject to certain limitations, such as securities issued by Federal Home Loan Banks and securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the credit of the issuing agencies, such as Freddie Mac and Fannie Mae, are subject to a greater degree of credit risk. A security backed by the "full faith and credit" of the U.S. government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price.

**Valuation:** Many factors may influence the price at which a fund could sell any particular portfolio investment. The sales price may well differ — higher or lower — from a fund's last valuation, and such differences could be significant, particularly for illiquid securities, securities priced based upon valuations provided by third-party pricing services that use matrix or evaluated pricing systems, securities that trade in relatively thin or volatile markets, or securities that are valued using a fair value methodology. These differences may increase significantly and affect fund investments more broadly during periods of market volatility. If market conditions make it difficult to value some investments, a fund may value these investments using more subjective methods, such as fair value methodologies. Investors who purchase or redeem fund shares on days when a fund is holding fair-valued securities may receive a greater or lesser number of shares, or greater or lower redemption proceeds, than they would have received if the fund had not fair-valued the securities or had used a different valuation methodology. The value of foreign securities, certain fixed income securities and currencies, as applicable, may be materially affected by events after the close of the markets on which they are traded,

but before a fund determines its net asset value. A fund's ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third party service providers.

**Value Investing:** The value approach carries the risk that the market will not recognize a security's intrinsic value for a long time, undervaluation may become more severe, or that a stock considered to be undervalued may actually be appropriately priced. A fund may underperform other equity funds that use different investing styles. A fund may also underperform other equity funds using the value style. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "growth" stocks.

**Volatility Constraints:** Certain portfolios are subject to volatility constraints. Under these constraints, the maximum amount of exposure to the equities of the portfolio is based, in part, on the level of volatility of and changes in the equity markets. The constraints are intended to improve absolute and risk-adjusted returns but may not work as intended. The constraints may result in the portfolio not achieving its stated asset mix goal. The constraints are based on algorithms. If the algorithms prove to be incorrect or incomplete, any decisions made in reliance thereon expose the portfolio to additional risks. The use of algorithms has inherent risks, and the success of relying on or otherwise using an algorithm depends, among other things, on the validity, accuracy and completeness of the algorithm's development, implementation and maintenance; on the algorithm's assumptions and methodologies; and on the accuracy and reliability of the supplied data. Because market conditions change, sometimes rapidly and unpredictably, the success of the constraints also will be subject to the sub-adviser's ability to implement the constraints in a timely and efficient manner. The constraints may result in periods of underperformance, may limit the portfolio's ability to participate in up markets, may increase transaction costs at the portfolio and/or underlying portfolio level, and may result in substantial losses if they do not work as intended. For example, if the portfolio has reduced its equity exposure to avoid losses in certain market conditions, and the market rises sharply and quickly, there may be a delay in increasing the portfolio's equity exposure, causing the portfolio to forgo gains from the market rebound. The constraints may fail to protect against market declines. The constraints also serve to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The constraints also may have the effect of limiting the amount of guaranteed benefits. The portfolio's performance may be lower than similar portfolios that are not subject to volatility constraints. The use of derivatives in connection with the volatility constraints may expose the portfolio to different and potentially greater risks than if it had only invested directly in underlying portfolios.

**Volatility Target:** Certain portfolios utilize an investment strategy that focuses on the management of portfolio volatility. There can be no assurance that the portfolio will meet its annualized volatility target. The annualized volatility target is intended to reduce the overall risk of investing in the portfolio but may not work as intended, may result in periods of underperformance, may limit the portfolio's ability to participate in up markets and may increase transaction costs. The annualized volatility target also serves to reduce the risk to the Transamerica insurance companies that provide guaranteed benefits under certain variable contracts from equity market volatility and to facilitate their provision of those guaranteed benefits. The annualized volatility target also may have the effect of limiting the amount of guaranteed benefits. The portfolio's performance may be lower than similar portfolios that are not managed to an annualized volatility target.

**Warrants and Rights:** Warrants and rights may be considered more speculative than certain other types of investments because they do not entitle a holder to the dividends or voting rights for the securities that may be purchased, and they do not represent any rights in the assets of the issuing company. Also, the value of a warrant or right does not necessarily change with the value of the underlying securities. If the warrant or right is not exercised before the expiration date, it generally expires without any value and the fund will lose any amount it paid for the warrant or right.

**Yield (Transamerica Government Money Market and Transamerica BlackRock Government Money Market VP):** As a money market fund, the fund invests in short-term money market instruments. As a result, the amount of income received by the fund will go up or down depending on variations in short-term interest rates. Investing in high quality, short-term instruments may result in a lower yield (the income on your investment) than investing in lower quality or longer-term instruments. The fund's expenses could absorb all or a significant portion of the fund's income, and, if the fund's expenses exceed the fund's income, the fund that seeks to maintain a stable net asset value (typically, \$1.00 per share) may be unable to maintain its \$1.00 share price. If interest rates increase, the fund's yield may not increase proportionately. For example, TAM may discontinue any temporary voluntary fee limitation or recoup expenses previously forgone and/or reimbursed. A money market fund is also required to maintain liquidity levels based on the characteristics and anticipated liquidity needs of its shareholders and a fund with greater liquidity needs may have a lower yield than money market funds with a different shareholder base. The fund may hold cash uninvested and, if so, will not earn income on those assets.

**Yield:** The amount of income received by the fund will go up or down depending on day-to-day variations in short-term interest rates, and the fund's expenses could absorb all or a significant portion of the fund's income. If interest rates increase, the fund's yield may not increase proportionately.

**Zero Coupon Bonds:** Zero coupon bonds pay no interest during the life of the obligation but are issued and trade at prices below their stated maturity value. While interest payments are not made on such bonds, holders of such bonds are deemed to have received income (“phantom income”) annually, notwithstanding that cash may not be received currently. Although these securities lock in a rate of return to maturity, they may be subject to greater fluctuations in market value than securities that pay interest periodically, particularly during periods of changing market interest rates.

### **TET Risks**

Risk is inherent in all investing. Many factors affect a Fund’s performance. There is no assurance a Fund will meet its investment objective. The value of an investment in a Fund, as well as the amount of return received on that investment, may fluctuate significantly. An investor may lose part or all of their investment in a Fund or the investment may not perform as well as other similar investments.

The following is a summary of certain risks (in alphabetical order) of investing in the Funds (either directly or through a Fund’s investment in underlying funds). This summary of certain risks is not a complete list of the risks involved in investing in the Funds. Each risk described below may not apply to each Fund and each Fund may be subject to additional or different risks than those described below. For more information, please see each Fund’s applicable summary prospectus, prospectus and statement of additional information.

**Absence of Regulation:** A fund may engage in over-the-counter (“OTC”) transactions, which trade in a dealer network, rather than on an exchange. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organized exchanges. Transactions in the OTC markets also are subject to the credit risk of the counterparty.

**Asset Allocation:** Each Underlying Index and, thus, each fund allocates assets among equity and fixed income securities. These allocations and the timing of the allocations may result in performance that is less favorable than that of a portfolio that does not allocate its assets among equity and fixed income securities.

**Authorized Participants, Market Makers and Liquidity Providers Concentration (*All funds*):** A fund has a limited number of financial institutions that may act as Authorized Participants (“APs”). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Fund Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions. In addition, there are a limited number of financial institutions that may act as APs that post collateral for certain trades on an agency basis (i.e., on behalf of other market participants). To the extent that those APs exit the business or are unable to process creation and/or redemption orders and no other AP is able to step forward to do so, there may be a significantly diminished trading market for a fund’s shares. This could in turn lead to differences between the market price of a fund’s shares and the underlying value of those shares.

**Cash Management:** The value of investments held by a fund for cash management purposes can fluctuate. Like other fixed income securities, cash and cash equivalent securities are subject to risk, including market, interest rate and credit risk. If a fund holds cash uninvested, the fund will be subject to the credit risk of the depository institution holding the cash, it will not earn income on the cash and the fund’s yield will go down. If a significant amount of a fund’s assets are used for cash management purposes, it may not achieve its investment objective.

**Communication Services Sector (*DeltaShares S&P EM 100 & Managed Risk ETF*):** Communication services companies are particularly vulnerable to the potential obsolescence of products and services due to technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by other competitive pressures, such as pricing competition, as well as research and development costs, substantial capital requirements and government regulation. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication services company’s profitability. While all companies may be susceptible to network security breaches, certain companies in the communication services sector may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

**Concentration:** When an Underlying Index is significantly allocated to an Equity Index and the Equity Index is concentrated in a particular industry or industries, the fund will concentrate in the same industry or industries. When a fund focuses its investments in a particular industry or sector, financial, economic, business, and other developments affecting issuers in that industry, market, or economic sector will have a greater effect on the fund than if it had not focused its assets in that industry, market, or economic sector, which may increase the volatility of the fund.

**Banking Industry (*DeltaShares S&P EM 100 & Managed Risk ETF*).** Companies operating in the banking industry may be adversely affected by changes in interest rates, market cycles, economic conditions, concentrations of loans in particular industries, credit losses, credit rating downgrades and significant competition. The performance of bank stocks may be affected by extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds, and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers can negatively impact the banking companies. Banks may also be subject to severe price competition. Competition among banking companies is high and failure to maintain or increase market share may result in lost market value.

**Conflicts of Interest (*All funds*):** The Investment Manager and its affiliates are engaged in a variety of businesses and have interests other than those related to the funds. The broad range of activities and interests of the Investment Manager and its affiliates gives rise to actual, potential and perceived conflicts of interest that could affect the funds and their shareholders. Certain actual and potential conflicts are described below. Other conflicts may arise from time to time.

The Investment Manager and the funds have adopted practices, policies and procedures that are intended to identify, manage and, where possible, mitigate conflicts of interest. There is no assurance, however, that these practices, policies and procedures will be effective.

The Investment Manager serves as investment manager to and is responsible for all aspects of the day-to-day investment advice and management of certain funds of funds that invest in underlying Transamerica funds and is subject to conflicts of interest in allocating the funds of funds' assets among the underlying funds. For certain other funds of funds, the Investment Manager has hired a sub-adviser and benefits when the sub-adviser allocates the fund of funds' assets to a Transamerica fund. The Investment Manager has designed certain funds of funds where only Transamerica funds are underlying investment options. This means that the Investment Manager or the fund of funds' sub-adviser, as applicable, does not, nor does it expect to, consider any unaffiliated funds as underlying investment options for the fund of funds, even if unaffiliated funds have better investment performance or lower total expenses. The Investment Manager and its affiliates will receive more revenue when the Investment Manager or sub-adviser, selects a Transamerica fund rather than an unaffiliated fund for inclusion in a fund of funds. In addition, the selection among only Transamerica Funds could result in the selection of portfolios with relatively lower historical investment results. The Investment Manager has an incentive for the funds of funds' assets to be allocated those underlying funds for which the net management fees payable to the Investment Manager are higher than the fees payable by other underlying funds or to those underlying funds for which an affiliate of the Investment Manager serves as the sub-adviser. The Investment Manager also has an incentive for a fund of funds' assets to be allocated to subscale underlying Transamerica funds to provide scale and reduce amounts waived and/or reimbursed by the Investment Manager to maintain applicable expense caps. Sub-advisers to certain funds of funds also have conflicts of interest in allocating the funds of funds' assets among underlying funds.

Certain Transamerica-sponsored mutual funds invest in the funds. As of the date of this Brochure, these mutual funds hold a large portion of the outstanding shares of the funds. The Investment Manager serves as the investment manager and the Sub-Adviser serves as the sub-adviser to the applicable Transamerica-sponsored mutual funds. The Investment Manager and the Sub-Adviser face actual and potential conflicts of interest with respect to the Sub-Adviser's allocation of these Transamerica-sponsored mutual funds' assets among the funds and unaffiliated ETFs. For example, the Investment Manager and the Sub-Adviser will receive more revenue when the Sub-Adviser selects a fund rather than an unaffiliated ETF as an investment for a Transamerica-sponsored mutual fund. The Investment Manager also has an incentive to provide scale to the funds to improve their viability and to reduce their expenses. The Sub-Adviser also has an incentive to take into account the effect on a fund in determining whether, and under what circumstances, to purchase or sell shares in that fund.

The Investment Manager may have a financial incentive to implement or not to implement certain changes to the funds. For example, the Investment Manager may, from time to time, recommend a change in sub- adviser or a fund combination. The Investment Manager and its affiliates will benefit to the extent that an affiliated sub- adviser replaces an unaffiliated sub-adviser or additional assets are combined into a fund having a higher net management fee payable to the Investment Manager and/or that is sub-advised by an affiliate of the Investment Manager. The Investment Manager will also benefit to the extent

that it replaces a sub-adviser with a new sub adviser with a lower sub-advisory fee. The aggregation of assets of multiple funds for purposes of calculating breakpoints in sub-advisory fees also gives rise to conflicts of interest for the Investment Manager.

The Investment Manager manages other funds and products that have investment objectives similar to those of the funds and/or engage in transactions in the same types of securities and instruments as the funds. Such transactions could affect the prices and availability of the securities and instruments in which a fund invests, and could have an adverse impact on the fund's performance. These other accounts and products may buy or sell positions while the funds are undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the funds. A position taken by the Investment Manager, on behalf of one or more other funds or products, may be contrary to a position taken on behalf of a fund or may be adverse to a company or issuer in which the fund has invested. The results of the investment activities of a fund may differ significantly from the results achieved for other funds or products.

The Investment Manager, its affiliates and other financial service providers have conflicts associated with their promotion of the funds or other dealings with the funds that would create incentives for them to promote the funds. The Investment Manager, its affiliates and/or the Sub-Adviser may make revenue sharing payments to brokers and other financial intermediaries to promote the distribution of the funds. The Investment Manager will benefit from increased amounts of assets under management. The Investment Manager or its affiliates do not receive revenue sharing payments from the Sub-Adviser.

The Investment Manager and/or its affiliates have existing and may have potential future other business dealings or arrangements with current or proposed sub-advisers or other fund service providers (or their affiliates) recommended by the Investment Manager. Such other business dealings or arrangements present conflicts of interest. For example, the Investment Manager may have an incentive to hire as a sub-adviser or other service provider an entity with which the Investment Manager or one or more of its affiliates have, or would like to have, significant or other business dealings or arrangements, and the Investment Manager may have a disincentive to recommend the termination of such a sub-adviser or service provider.

The performance of certain funds may impact the financial exposure of affiliates of the Investment Manager under guarantees that the Transamerica insurance companies provide as issuers of the variable insurance contracts. The Investment Manager derives certain ancillary benefits from providing investment management services to the funds.

The range of activities, services and interests of the Sub-Adviser may give rise to actual, potential and/or perceived conflicts of interest that could disadvantage a fund and its shareholders. For example, the Sub-Adviser's portfolio managers may manage multiple funds and accounts for multiple clients, which may give rise to actual or potential conflicts of interest. The Sub-Adviser and/or its affiliates also may derive ancillary benefits from providing investment sub-advisory services to a fund.

A further discussion of conflicts of interest appears in the applicable funds' prospectuses and sStatement of Additional Information. These discussions are not, and are not intended to be, a complete enumeration or description of all the actual and potential conflicts that may arise.

**Costs of Buying and Selling Shares:** Investors buying or selling Fund Shares in the secondary market will pay brokerage commissions or other charges imposed by brokers, as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Fund Shares. In addition, secondary market investors will also incur the cost of the difference between the price that an investor is willing to pay for Fund Shares (the "bid" price) and the price at which an investor is willing to sell Fund Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread." The bid/ask spread varies over time for Fund Shares based on trading volume and market liquidity, and is generally lower if Fund Shares have more trading volume and market liquidity and higher if Fund Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Fund Shares, including bid/ask spreads, frequent trading of Fund Shares may significantly reduce investment results and an investment in Fund Shares may not be advisable for investors who anticipate regularly making small investments.

**Counterparty:** A fund could lose money if the counterparties to derivatives, repurchase agreements and other financial contracts entered into for the fund do not fulfill their contractual obligations. Adverse changes to counterparties may cause the value of financial contracts to go down. If a counterparty becomes bankrupt or otherwise fails to perform its obligations, the value of your investment in the fund may decline. In addition, the fund may incur costs and may be hindered or delayed in enforcing its rights against a counterparty.

**Currency (*DeltaShares S&P International Managed Risk ETF, DeltaShares S&P EM 100 & Managed Risk ETF*):** The value of a fund's investments in securities denominated in foreign currencies increases or decreases as the rates of exchange between those currencies and the U.S. dollar change. U.S. dollar-denominated securities of foreign issuers may also be affected by currency risk, as the revenue earned by issuers of these securities may also be impacted by changes in the issuer's local

currency. Currency conversion costs and currency fluctuations could reduce or eliminate investment gains or add to investment losses. Currency exchange rates can be volatile and may fluctuate significantly over short periods of time, and they are affected by factors such as general economic conditions, the actions of the U.S. and foreign governments or central banks, the imposition of currency controls, and speculation. A fund may be positively or negatively affected by government strategies intended to make the U.S. dollar, or other currencies to which the fund has exposure, stronger or weaker. Currency markets generally are not as regulated as securities markets, and currency risk may be particularly high to the extent the fund invests in foreign securities or currencies that are economically tied to emerging market or frontier market countries. Derivatives that provide exposure to foreign currencies are also subject to these risks.

**Cybersecurity and Operations (*All funds*):** A fund, and its service providers and distribution platforms, and your ability to transact with a fund, may be negatively impacted by, among other things, human error, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized party to gain access to fund assets, shareholder data (including private shareholder information), and/or proprietary information, or cause a fund, TAM, the Sub-Adviser, APs, the relevant listing exchange and/or their service providers (including, but not limited to, fund accountants, custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality. A cybersecurity incident or operational issue may disrupt the processing of shareholder transactions, impact a fund's ability to calculate its net asset values, prevent shareholders from redeeming their shares, or result in financial losses to a fund and its shareholders. Issuers of securities in which the fund invests are also subject to cybersecurity risks, and the value of those securities could decline if the issuers experience cybersecurity incidents or operational issues. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to a fund by its service providers.

**Depository Receipts (*DeltaShares S&P International Managed Risk ETF, DeltaShares S&P EM 100 & Managed Risk ETF*):** Depository receipts are generally subject to the same risks as are the foreign securities that they evidence or into which they may be converted, and they may be less liquid than the underlying shares in their primary trading market. Any distributions paid to the holders of depository receipts are usually subject to a fee charged by the depository. Holders of depository receipts may have limited voting rights, and investment restrictions in certain countries may adversely impact the value of depository receipts because such restrictions may limit the ability to convert equity shares into depository receipts and vice versa. Such restrictions may cause equity shares of the underlying issuer to trade at a discount or premium to the market price of the depository receipts.

The issuers of unsponsored depository receipts are not obligated to disclose information that is, in the United States, considered material. Therefore, there may be less information available regarding those issuers and there may not be a correlation between such information and the market value of the depository receipts.

**Derivatives:** Derivatives involve special risks and costs and may result in losses. Risks of derivatives include leverage risk, liquidity risk, valuation risk, market risk, counterparty risk, credit risk, operational risk (such as documentation issues and settlement issues) and legal risk (such as insufficient documentation, insufficient capacity or authority of a counterparty, or issues with the legality or enforceability of a contract). Use of derivatives can increase losses, reduce opportunities for gains, increase fund volatility, and not produce the result intended. Even a small investment in derivatives can have a disproportionate impact on a fund. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. This risk is greater for forward currency contracts, swaps and other over-the-counter traded derivatives. The other parties to derivatives transactions present the same types of credit risk as issuers of fixed-income securities. Derivatives also tend to involve greater liquidity risk and they may be difficult to value. A fund may be unable to terminate or sell its derivative positions. In fact, many over-the-counter derivatives will not have liquidity except through the counterparty to the instrument. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative, including market risk, credit risk, liquidity risk, management and valuation risk. Also, suitable derivative transactions may not be available in all circumstances or at reasonable prices. The value of a derivative may fluctuate more than, or otherwise not correlate well with, the underlying assets, rates, indices or other indicators to which it relates. A fund's use of derivatives may also increase the amount of taxes payable by shareholders.

The U.S. government and foreign governments have adopted (and may adopt further) regulations governing derivatives markets, including mandatory clearing and on-facility execution of certain derivatives, margin and reporting requirements. In 2020, the SEC adopted new Rule 18f-4 under the 1940 Act, which provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as a fund, and set limits on a fund's investments in derivatives. Compliance with the rule is not required until Summer 2022, but the rule may impact the fund's use of derivatives before that date. The ultimate impact of the regulations and new rule remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance, or disrupt markets. For derivatives that are required to be cleared by a regulated clearinghouse, a fund may be exposed to risks arising from its relationship with a brokerage

firm through which it would submit derivatives trades for clearing. A fund would also be exposed to counterparty risk with respect to the clearinghouse. In certain cases, a fund may incur costs and may be hindered or delayed in enforcing its rights against or closing out derivatives instruments with a counterparty, which may result in additional losses.

Derivatives may be used by a fund for a variety of purposes, including:

- As a means of providing additional exposure to types of investments or market factors;
- As a substitute for buying or selling securities; or
- As a cash flow management technique.

Using derivatives may involve greater risks to a fund than investing directly in securities, particularly as these instruments may be very complex and may not behave in the manner anticipated by the fund. Risks associated with the use of derivatives are magnified to the extent that a large portion of the fund's assets are committed to derivatives in general or are invested in just one or a few types of derivatives. Use of derivatives or similar instruments may have different tax consequences for a fund than an investment in the underlying asset or indices, and those differences may affect the amount, timing and character of income distributed to shareholders.

When a fund enters into derivative transactions, it may be required to segregate assets, or enter into offsetting positions, in accordance with applicable regulations. Such segregation will not limit the fund's exposure to loss, however, and the fund will have investment risk with respect to both the derivative itself and the assets that have been segregated to cover the fund's derivative exposure. If the segregated assets represent a large portion of the fund's portfolio, this may impede portfolio management or the fund's ability to meet redemption requests or other current obligations.

A fund could lose the entire amount of its investment in a derivative and, in some cases, could lose more than the principal amount invested.

Derivatives may include, but are not limited to, the following:

- *Forwards and Futures Contracts.* The use of futures contracts is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. A futures contract is a sales contract between a buyer (holding the "long" position) and a seller (holding the "short" position) for an asset with delivery deferred until a future date. The buyer agrees to pay a fixed price at the agreed future date and the seller agrees to deliver the asset. The seller hopes that the market price on the delivery date is less than the agreed upon price, while the buyer hopes for the contrary. The liquidity of the futures markets depends on participants entering into off-setting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures market could be reduced. In addition, futures exchanges often impose a maximum permissible price movement on each futures contract for each trading session. A fund may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. Moreover, to the extent a fund engages in futures contracts on foreign exchanges, such exchanges may not provide the same protection as US exchanges. The loss that may be incurred in entering into futures contracts may exceed the amount of the premium paid and may be potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of a fund's NAV. Additionally, as a result of the low collateral deposits normally involved in futures trading, a relatively small price movement in a futures contract may result in substantial losses to a fund. Investment in these instruments involve risks, including counterparty risk (i.e., the counterparty to the instrument will not perform or be able to perform in accordance with the terms of the instrument), hedging risk (i.e., a hedging strategy may not eliminate the risk that it is intended to offset, and may offset gains, which may lead to losses within a fund) and pricing risk (i.e., the instrument may be difficult to value).
- *Foreign Currency Forward Exchange Contracts.* In connection with its investments in foreign securities, a fund also may enter into contracts with banks, brokers or dealers to purchase or sell securities or foreign currencies at a future date. A foreign currency forward exchange contract is a negotiated agreement between the contracting parties to exchange a specified amount of currency at a specified future time at a specified rate. The rate can be higher or lower than the spot rate between the currencies that are the subject of the contract. Foreign currency forward exchange contracts may be used to protect against uncertainty in the level of future foreign currency exchange rates or to gain or modify exposure to a particular currency. In addition, a fund may use cross currency hedging or proxy hedging with respect to currencies in which a fund has or expects to have portfolio or currency exposure. Cross currency hedges involve the sale of one currency against the positive exposure to a different currency and may be used for hedging purposes or to establish an active exposure to the exchange rate between any two currencies. Investments in foreign currency forward exchange contracts

may substantially change a fund's exposure to currency exchange rates and could result in losses to a fund if currencies do not perform as the Sub-Adviser expects. The Sub-Adviser's success in these transactions will depend principally on its ability to predict accurately the future exchange rates between foreign currencies and the U.S. dollar. Foreign currency forward exchange contracts may be used for non-hedging purposes in seeking to meet the applicable fund's investment objectives, such as when the sub-adviser anticipates that particular non-U.S. currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the fund's investment portfolio. Investing in foreign currency forward exchange contracts for purposes of gaining from projected changes in exchange rates, as opposed to hedging currency risks applicable to a fund's holdings, further increases the fund's exposure to foreign securities losses. There is no assurance that a sub-adviser's use of currency derivatives will benefit a fund or that they will be, or can be, used at appropriate times.

- **Swaps.** Swaps contracts, including total return swaps, involve heightened risks and may result in losses to a fund. Swaps may in some cases be illiquid and difficult to value, and they increase credit risk since a fund has exposure to both the issuer of the referenced obligation and the counterparty to the swap. Swaps may be difficult to unwind or terminate. The absence of a central exchange or market for swap transactions may lead, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions. New regulations require many kinds of swaps to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. Although this clearing mechanism is generally expected to reduce counterparty credit risk, it may disrupt or limit the swap market and may not result in swaps being easier to trade or value. As swaps become more standardized, a fund may not be able to enter into swaps that meet its investment needs. A fund also may not be able to find a clearinghouse willing to accept the swaps for clearing. In a cleared swap, a central clearing organization will be the counterparty to the transaction. A fund will assume the risk that the clearinghouse may be unable to perform its obligations. The new regulations may make using swaps more costly, may limit their availability, or may otherwise adversely affect their value or performance.

**Emerging Markets (*DeltaShares S&P EM 100 & Managed Risk ETF*):** Investments in securities of issuers located or doing business in emerging markets bear heightened foreign investments risks and may experience rapid and extreme changes in value. Emerging markets are riskier than more developed markets because they tend to develop unevenly and may never fully develop. Emerging market countries typically have less developed and less stable economic and political systems and regulatory and accounting standards. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation, and may be based on only a few industries. Such countries typically have fewer medical and economic resources than more developed countries, and thus they may be less able to control or mitigate the effects of a public health emergency or natural disaster. Certain emerging markets may also face other significant internal or external risks, including the risk of war or terrorism, and ethnic, religious or racial conflicts. Emerging market countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will, and such investors are more likely to experience nationalization, expropriation and confiscatory taxation. Such policies may change abruptly. Emerging market securities are often particularly sensitive to market movements because their market prices tend to reflect speculative expectations. Some emerging market countries are especially vulnerable to economic conditions in other countries. Low trading volumes may result in a lack of liquidity and extreme price volatility, which could make security valuations more difficult. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating the fund's net asset value. A fund investing in emerging market countries may be required to establish special custody or other arrangements before investing, and the fund may experience problems or delays with the clearing and settling of trades that are not typically experienced in more developed markets. It may be difficult for a fund to pursue claims against an emerging market issuer or other parties in the courts of an emerging market country. Some securities issued by emerging market governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult for a fund to pursue its rights against the government. An investment in emerging market securities should be considered speculative.

**Equity Securities:** Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer, and generally have greater risk of loss than debt securities. Equity securities include, among others, common and preferred stocks, convertible securities, and warrants or rights. Stock markets are volatile. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and fluctuate in price based on real or perceived changes in a company's financial condition, factors affecting a particular industry or industries, and overall market, economic and political conditions. Because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. If the market prices of the equity securities owned by a fund fall, the value of your investment in the fund will decline. If a fund holds equity securities in a company that becomes insolvent, the fund's interests in the company will rank junior in priority to the interests of debtholders and general creditors of the company, and the fund



may lose its entire investment in the company. These risks are generally magnified for investments in equity securities of distressed companies. A fund may lose its entire investment in the equity securities of an issuer.

**Financial Sector (*DeltaShares S&P 400 Managed Risk ETF, DeltaShares S&P 600 Managed Risk ETF, DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF*):** Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector. Insurance companies may be subject to severe price competition. Adverse economic, business or political developments could adversely affect financial institutions engaged in mortgage finance or other lending or investing activities directly or indirectly connected to the value of real estate.

**Fixed-Income Securities:** The value of fixed-income securities may go up or down, sometimes rapidly and unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, tariffs and trade disruptions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. In addition, the value of a fixed income security may decline if the issuer or other obligor of the security fails to pay principal and/or interest, otherwise defaults or has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines. The prices of fixed income securities generally go down when interest rates rise. Interest rates in the U.S. and certain foreign markets have been low relative to historic levels, so the funds face a heightened risk that interest rates may rise. A general rise in interest rates may cause investors to move out of fixed-income securities on a large scale, which could adversely affect the price and liquidity of fixed-income securities. A rise in rates also tends to have a greater impact on the prices of longer term or duration securities.

If interest rates rise, repayments of fixed-income securities may occur more slowly than anticipated by the market. This may drive the prices of these securities down because their interest rates are lower than the current interest rate and they remain outstanding longer. This is sometimes referred to as extension risk.

Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, a fund will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on the prepaid security. This is sometimes referred to as prepayment or call risk.

**Fluctuation of Net Asset Value, Share Premiums and Discounts.** The net asset value of Fund Shares will generally fluctuate with changes in the market value of a fund's securities holdings. The market prices of Fund Shares will generally fluctuate in accordance with changes in a fund's net asset value and supply and demand of Fund Shares on the Exchange. It cannot be predicted whether Fund Shares will trade below, at or above their net asset value. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Fund Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities of an Underlying Index trading individually or in the aggregate at any point in time. In addition, where all or a portion of a fund's holdings trade in a market that is closed when the market in which the Fund Shares are listed and trading open, there may be changes between the last quote from the closed foreign market and the value of such holding during the fund's domestic trading day that may lead to differences between the market price and the net asset value of the Fund Shares. The market prices of Fund Shares may deviate significantly from the net asset value of Fund Shares during periods of market volatility. However, given that Fund Shares can be created and redeemed in Creation Units (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their net asset value), the Investment Manager (and Sub-Adviser, as applicable) believe that large discounts or premiums to the net asset value of Fund Shares should not be sustained over long periods. While the creation/redemption feature is designed to make it likely that Fund Shares normally will trade close to a fund's net asset value, disruptions to creations and redemptions or market volatility may result in trading prices that differ significantly from such fund's net asset value. If an investor purchases Fund Shares at a time when the market price is at a premium to the net asset

value of Fund Shares or sells at a time when the market price is at a discount to the net asset value of Fund Shares, then the investor may sustain losses.

**Foreign Investments (*DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF*):** Investments in securities of foreign issuers (including those denominated in U.S. dollars) or issuers with significant exposure to foreign markets are subject to additional risks. Foreign markets can be less liquid, less regulated and more volatile than U.S. markets. The value of a fund's foreign investments may decline, sometimes rapidly and unpredictably, because of factors affecting the particular issuers as well as foreign markets and issuers generally, such as unfavorable or unsuccessful government actions, reduction of government or central bank support, tariffs and trade disruptions, political or financial instability, social unrest or other adverse economic or political developments. Values may also be affected by restrictions on receiving the investment proceeds from a foreign country.

Less information may be publicly available about foreign companies than about U.S. companies. Foreign companies are generally not subject to the same accounting, auditing and financial reporting standards as U.S. companies are. Some securities issued by non-U.S. governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of such governments. Even where a security is backed by the full faith and credit of a government, it may be difficult or impossible for the fund to pursue its rights against the government. Some non-U.S. governments have defaulted on principal and interest payments. In certain foreign markets, settlement and clearance procedures may result in delays in payment for or delivery of securities not typically associated with settlement and clearance of U.S. investments. Such settlement issues could affect a fund's performance and the liquidity of its portfolio. Dividends or interest on, or proceeds from the sale or disposition of, foreign securities may be subject to non-U.S. withholding or other taxes, and special U.S. tax considerations may apply.

Certain foreign markets may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, organizations, entities and/or individuals, changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. Economic sanctions could, among other things, effectively restrict or eliminate a fund's ability to purchase or sell securities or groups of securities for a substantial period of time, and may make the fund's investments in such securities harder to value. International trade barriers or economic sanctions against foreign countries, organizations, entities and/or individuals, may adversely affect a fund's foreign holdings or exposures. Investments in foreign markets may also be adversely affected by unfavorable governmental actions such as the imposition of capital and price controls; nationalization of companies or industries; currency exchange controls, currency blockage, or restrictions on the expatriation of foreign currency; expropriation of assets; confiscatory taxation; or the imposition of punitive taxes. In the event of nationalization, expropriation or other confiscation, a fund could lose its entire investment in foreign securities. Governmental actions can have a significant effect on the economic conditions in foreign countries, which also may adversely affect the value and liquidity of a fund's investments. For example, the governments of certain countries may prohibit or impose substantial restrictions on foreign investing in their capital markets or in certain sectors or industries. In addition, a foreign government may limit or cause delay in the convertibility or repatriation of its currency which would adversely affect the U.S. dollar value and/or liquidity of investments denominated in that currency. Any of these actions could severely affect security prices, impair a fund's ability to purchase or sell foreign securities or transfer a fund's assets back into the United States, or otherwise adversely affect the fund's operations. Certain foreign investments may become less liquid in response to market developments or adverse investor perceptions, or become illiquid after purchase by a fund, particularly during periods of market turmoil. When a fund holds illiquid investments, its portfolio may be harder to value.

Investment in securities of foreign issuers may also be subject to foreign custody risk which refers to the risks inherent in the process of clearing and settling trades and to the holding of securities, cash and other assets by banks, agents and depositories in securities markets outside the United States. In addition, it is often more expensive for a fund to buy, hold, and sell securities in certain foreign markets than in the United States. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle, and governments or trade groups may compel non-U.S. agents to hold securities in designated depositories that may not be subject to independent evaluation. The laws of certain countries may place limitations on the ability to recover assets if a non-U.S. bank, agent or depository becomes insolvent or enters bankruptcy. Non-U.S. agents are held only to the standards of care of their local markets, and thus may be subject to limited or no government oversight. In general, the less developed a country's securities markets are, or the more difficult communication is with that location, the greater the likelihood of custody issues arising.

ADRs, GDRs, and European Depositary Receipts ("EDRs") are generally subject to all of the risks that direct investments in foreign securities are.

In addition, U.S. investors are restricted from investing in certain Chinese companies, and the companies subject to these restrictions may change from time to time. For example, in November 2020, the President of the United States of America signed an executive order prohibiting U.S. persons, including a fund, from investing in publicly-traded securities of certain companies determined by the U.S. government to be affiliated with China's military. These or other restrictions may adversely affect the value of Chinese companies, result in forced selling of securities of Chinese companies, and cause a fund to incur losses.

**Geographic Focus (*DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF*):** The performance of a fund that is less diversified across countries or geographic regions will be closely tied to market, currency, economic, political, environmental, or regulatory conditions and developments in the countries or regions in which the fund invests, and may be more volatile than the performance of a more geographically-diversified fund.

**Asia Pacific Region (*DeltaShares S&P International Managed Risk ETF*):** Investments in securities of issuers in Asia-Pacific countries involve risks that are specific to the Asia-Pacific region, including certain legal, regulatory, political and economic risks. Certain Asia-Pacific countries have experienced expropriation and/or nationalization of assets, confiscatory taxation, political instability, armed conflict and social instability as a result of religious, ethnic, socio-economic and/or political unrest. Some economies in this region are dependent on a range of commodities, and are strongly affected by international commodity prices and particularly vulnerable to price changes for these products. The market for securities in this region may also be directly influenced by the flow of international capital, and by the economic and market conditions of neighboring countries. Many Asia-Pacific economies have experienced rapid growth and industrialization, and there is no assurance that this growth rate will be maintained. Some Asia-Pacific economies are highly dependent on trade and economic conditions in other countries can impact these economies.

**China (*DeltaShares S&P EM 100 & Managed Risk ETF*):** The economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others. Under China's political and economic system, the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership. Since 1978, the Chinese government has been, and is expected to continue, reforming its economic policies, which has resulted in less direct central and local government control over the business and production activities of Chinese enterprises and companies. Notwithstanding the economic reforms instituted by the Chinese government and the Chinese Communist Party, actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China, which could affect the public and private sector companies in which a fund invests. In the past, the Chinese government has from time to time taken actions that influence the prices at which certain goods may be sold, encourage companies to invest or concentrate in particular industries, induce mergers between companies in certain industries and induce private companies to publicly offer their securities to increase or continue the rate of economic growth, control the rate of inflation or otherwise regulate economic expansion. It may do so in the future as well. Such actions and a variety of other centrally planned or determined activities by the Chinese government could have a significant adverse effect on economic conditions in China, the economic prospects for, and the market prices and liquidity of, the securities of Chinese companies and the payments of dividends and interest by Chinese companies. In addition, expropriation, including nationalization, confiscatory taxation, political, economic or social instability or other developments could adversely affect and significantly diminish the values of the Chinese companies in which a fund invests. Additionally, from time to time and as recently as January 2020, China has experienced outbreaks of infectious illnesses, and the country may be subject to other public health threats, infectious illnesses, diseases or similar issues in the future. A fund may invest in shares of Chinese companies traded on stock markets in Mainland China or Hong Kong. These stock markets have recently experienced high levels of volatility, which may continue in the future. The Hong Kong stock market may behave differently from the Mainland China stock market and there may be little to no correlation between the performance of the Hong Kong stock market and the Mainland China stock market.

From time to time, certain of the companies comprising the Underlying Index may operate in, or have dealings with, countries subject to sanctions or embargoes imposed by the U.S. government and the United Nations and/or in countries identified by the U.S. government as state sponsors of terrorism. One or more of these companies may be subject to constraints under U.S. law or regulations which could negatively affect the company's performance.

Additionally, one or more of these companies may suffer damage to its reputation if it is identified as a company which invests or deals with countries which are identified by the U.S. government as state sponsors of terrorism or subject to sanctions. As an investor in such companies, a fund will be indirectly subject to these risks.

**Europe (*DeltaShares S&P International Managed Risk ETF*):** A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise

capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and without Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the EU. For example, on January 31, 2020, the United Kingdom formally withdrew from the EU (commonly referred to as “Brexit”) and entered an 11-month transition period during which the United Kingdom remained part of the EU single market and customs union, the laws of which governed the economic, trade, and security relations between the United Kingdom and EU. The transition period concluded on December 31, 2020, and the United Kingdom left the EU single market and customs union under the terms of a new trade agreement. The agreement governs the new relationship between the United Kingdom and EU with respect to trading goods and services, but critical aspects of the relationship remain unresolved and subject to further negotiation and agreement. The full scope and nature of the consequences of the exit are not at this time known and are unlikely to be known for a significant period of time. Moreover, other countries may seek to withdraw from the EU and/or abandon the euro, the common currency of the EU. A number of countries in Europe have suffered terror attacks, and additional attacks may occur in the future. The Ukraine has experienced ongoing military conflict; this conflict may expand and military conflicts could potentially occur elsewhere in Europe. Europe has also been struggling with mass migration from the Middle East and Africa. The ultimate effects of these events and other socio-political or geopolitical issues are not known but could profoundly affect global economies and markets. Whether or not a fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries, these events could negatively affect the value and liquidity of the fund’s investments.

**Japan (*DeltaShares S&P International Managed Risk ETF*):** The growth of Japan’s economy has historically lagged that of its Asian neighbors and other major developed economies. The Japanese economy is heavily dependent on international trade and has been adversely affected by trade tariffs, other protectionist measures, competition from emerging economies and the economic conditions of its trading partners. China has become an important trading partner with Japan, yet the countries’ political relationship has become strained. Should political tension increase, it could adversely affect the economy, especially the export sector, and destabilize the region as a whole. Japan also remains heavily dependent on oil imports, and higher commodity prices could therefore have a negative impact on the economy. The Japanese economy faces several other concerns, including a financial system with large levels of nonperforming loans, over-leveraged corporate balance sheets, extensive cross-ownership by major corporations, a changing corporate governance structure, and large government deficits. These issues may cause a slowdown of the Japanese economy. The Japanese yen has fluctuated widely at times and any increase in its value may cause a decline in exports that could weaken the Japanese economy. Japan has, in the past, intervened in the currency markets to attempt to maintain or reduce the value of the yen. Japanese intervention in the currency markets could cause the value of the yen to fluctuate sharply and unpredictably and could cause losses to investors. Japan has an aging workforce and has experienced a significant population decline in recent years. Japan’s labor market appears to be undergoing fundamental structural changes, as a labor market traditionally accustomed to lifetime employment adjusts to meet the need for increased labor mobility, which may adversely affect Japan’s economic competitiveness.

The nuclear power plant catastrophe in Japan in March 2011 may have long-term effects on the Japanese economy and its nuclear energy industry. Natural disasters, such as earthquakes, volcanoes, typhoons or tsunamis, could occur in Japan or surrounding areas and could negatively affect the Japanese economy and, in turn, a fund.

**South Korea (*DeltaShares S&P EM 100 & Managed Risk ETF*):** Economic and political developments of South Korean neighbors may have an adverse effect on the South Korean economy. Substantial political tensions exist between North Korea and South Korea and, recently, these political tensions have escalated. The outbreak of hostilities between the two nations, or even the threat of such an outbreak, will likely adversely impact the South Korean economy. In addition, South Korea’s economic growth potential has recently been on a decline, mainly because of a rapidly aging population and structural problems. Among these structural concerns are the country’s underdeveloped financial markets and a general lack of regulatory transparency. The restructuring of the South Korean economy, including the creation of a mechanism for bankrupt firms to exit the market, remains an important unfinished task. These factors may adversely affect the South Korean economy and cause a diversion of corporate investment to China and other lower wage countries. South Korea’s economic growth potential is susceptible to problems from large scale emigration, rigid labor regulations and ongoing labor relations issues.

**United Kingdom (*DeltaShares S&P International Managed Risk ETF*):** The United Kingdom has one of the largest economies in Europe, and the United States and other European countries are substantial trading partners of the United Kingdom. As a result, the British economy may be impacted by changes to the economic condition of the United States and other European countries. The British economy, along with certain other EU economies, experienced a significant economic slowdown during the financial crisis that began in 2007, and certain British financial institutions suffered significant losses,

were severely undercapitalized and required government intervention to survive. The British economy relies heavily on the export of financial services to the United States and other European countries and, therefore, a prolonged slowdown in the financial services sector may have a negative impact on the British economy. Continued governmental involvement or control in certain sectors may stifle competition in certain sectors or cause adverse effects on economic growth. In the past, the United Kingdom has been a target of terrorism. Acts of terrorism in the United Kingdom or against British interests abroad may cause uncertainty in the British financial markets and adversely affect the performance of the issuers to which a fund has exposure.

On January 31, 2020, the United Kingdom formally withdrew from the EU (commonly referred to as “Brexit”) and entered an 11-month transition period during which the United Kingdom remained part of the EU single market and customs union, the laws of which governed the economic, trade, and security relations between the United Kingdom and EU. The transition period concluded on December 31, 2020, and the United Kingdom left the EU single market and customs union under the terms of a new trade agreement. The agreement governs the new relationship between the United Kingdom and EU with respect to trading goods and services, but critical aspects of the relationship remain unresolved and subject to further negotiation and agreement. There is still considerable uncertainty relating to the potential consequences associated with the exit and whether the United Kingdom's exit will increase the likelihood of other countries also departing the EU. Brexit may have a significant impact on the United Kingdom, Europe, and global economies, which may result in increased volatility and illiquidity, new legal and regulatory uncertainties and potentially lower economic growth for these economies that could potentially have an adverse effect on the value of a Fund's investments.

**Health Care Sector (DeltaShares S&P 500 Managed Risk ETF):** Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products, services and facilities, pricing pressure (including price discounting), limited product lines and an increased emphasis on the delivery of healthcare through outpatient services. Companies in the health care sector are heavily dependent on obtaining and defending patents, which may be time consuming and costly, and the expiration of patents may also adversely affect the profitability of these companies. Health care companies are also subject to extensive litigation based on product liability and similar claims. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the health care sector require significant research and development and may be subject to regulatory approvals, all of which may be time consuming and costly with no guarantee that any product will come to market.

**Index Tracking:** While the Sub-Adviser seeks to track the performance of an Underlying Index (i.e., achieve a high degree of correlation with the Underlying Index), a fund's return may not match the return of the Underlying Index for a number of reasons. For example, the return on the sample of securities purchased by a fund (or the return on securities not included in the Underlying Index) to replicate the performance of the Underlying Index may not correlate precisely with the return of the Underlying Index. Each fund incurs a number of operating expenses not applicable to the Underlying Index, and incurs costs in buying and selling securities. In addition, a fund may not be fully invested at times, either as a result of cash flows into or out of the fund. Changes in the composition of the Underlying Index and regulatory requirements also may impact a fund's ability to match the return of the Underlying Index. The Sub-Adviser may apply one or more “screens” or investment techniques to refine or limit the number or types of issuers included in the Underlying Index in which a fund may invest. Application of such screens or techniques may result in investment performance below that of the Underlying Index and may not produce results expected by the Sub-Adviser. Index tracking risk may be heightened during times of increased market volatility or other unusual market conditions. In addition, due to the potential for frequent rebalancing of the Underlying Indexes, there is greater risk that the Sub-Adviser may be unable to implement all changes to a fund's portfolio necessary to track exactly the performance of the relevant Underlying Index. Errors in the construction or calculation of an Underlying Index may occur from time to time and may not be identified and corrected for some period of time, which may have an adverse impact on the relevant fund and its shareholders.

**Industrial Sector (DeltaShares S&P 400 Managed Risk ETF, DeltaShares S&P 600 Managed Risk ETF, DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF):** Industrial companies are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these companies. Aerospace and defense companies, a component of the industrial sector, can be significantly affected by government spending policies because companies involved in this industry rely, to a significant extent, on U.S. and foreign government demand for their products and services. Thus, the financial condition of, and investor interest in, aerospace and defense companies are heavily influenced by governmental defense spending policies which are typically under pressure from efforts to control the U.S. (and

other) government budgets. Transportation securities, a component of the industrial sector, are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labor agreements and insurance costs.

**Inflation:** The value of assets or income from investment may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a fund's assets can decline as can the value of the fund's distributions.

**Information Technology Sector (DeltaShares S&P 500 Managed Risk ETF and DeltaShares S&P 400 Managed Risk ETF):** Market or economic factors impacting technology companies and companies that rely heavily on technology advances could have a major effect on the value of a fund's investments. The value of stocks of technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

**Interest Rate:** Interest rates in the United States have been at historically low levels. The funds face a heightened risk that interest rates may rise. When interest rates rise, the value of fixed income securities will generally fall. A change in interest rates will not have the same impact on all fixed-income securities. Generally, the longer the maturity or duration of a fixed-income security, the greater the impact of a rise in interest rates on the security's value. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction. When interest rates go down, the income received by a fund, and a fund's yield, may decline. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities. The maturity of a security may be significantly longer than its duration. A security's maturity and other features may be more relevant than its duration in determining the security's sensitivity to other factors affecting the issuer or markets generally such as changes in credit quality or in the yield premium that the market may establish for certain types of securities.

Duration is a measure of the expected life of a fixed-income security that is used to determine the sensitivity of a security's price to changes in interest rates. Fixed-income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Similarly, a fund with a longer average portfolio duration will generally be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

**Large Capitalization Companies (DeltaShares S&P 500 Managed Risk ETF, DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF):** A fund's investments in large capitalization companies may underperform other segments of the market because they may be less responsive to competitive challenges and opportunities and unable to attain high growth rates during periods of economic expansion. As a result, a fund's market value may not rise as much as, or may fall more than, the market value of funds that focus on companies with smaller market capitalizations.

**Large Shareholder:** Certain shareholders, including other funds managed by the Investment Manager, may from time to time own a substantial amount of Fund Shares. As of the date of this Brochure, certain Transamerica-sponsored mutual funds hold a large portion of Fund Shares. There can be no assurance that any large shareholder will not redeem its investment or that a fund will continue to meet applicable listing requirements. Redemptions by large shareholders could have a significant negative impact on a fund. If a large shareholder were to redeem all, or a large portion, of its Fund Shares, there is no guarantee that a fund will be able to maintain sufficient assets to continue operations in which case the Board of Trustees may determine to liquidate the fund. To the extent a fund permits purchases or redemptions in cash, transactions by a large shareholder could cause a fund to incur substantial transaction costs and/or accelerate the realization of taxable income and/or gains to shareholders. In addition, transactions by large shareholders may account for a large percentage of the trading volume on the NYSE Arca, Inc. and may, therefore, have a material upward or downward effect on the market price of Fund Shares.

**Legal and Regulatory:** Legal and regulatory changes could occur that may adversely affect a fund, its investments, and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New or revised laws or regulations may be imposed by the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the Internal Revenue Service, the U.S. Federal Reserve or other governmental regulatory authorities or self-regulatory organizations that could adversely affect a fund. A fund also may be adversely affected by changes in the

enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

**Liquidity:** A fund may hold investments that are illiquid or that become illiquid after purchase. Investments may become illiquid due to the lack of an active market, a reduced number of traditional market participants, legal or contractual restrictions on resale, or reduced capacity of traditional market participants to make a market in securities. Regulations such as the Volcker Rule or future regulations may further constrain the ability of market participants to create liquidity, particularly in times of increased volatility. As a general matter, a reduction in the willingness or ability of dealers and other institutional investors to make markets in fixed income securities may result in even less liquidity in certain markets. Illiquid investments can be difficult to value. If a fund is forced to sell less liquid or illiquid investments to meet redemption requests or other cash needs, the fund may be forced to sell at a substantial loss (or may not be able to sell at all), and such sale may involve additional costs. In addition, securities, once sold by a fund, may not settle for an extended period (for example, several weeks or even longer). The fund will not receive its sales proceeds until that time, which may constrain the fund's ability to meet its obligations (including obligations to redeeming shareholders). Liquidity of particular investments, or even entire asset classes, can deteriorate rapidly, particularly during times of market turmoil, and those investments may be difficult or impossible for a fund to sell. This may prevent a fund from limiting losses. Further, when there is illiquidity in the market for certain investments, a fund, due to limitations on illiquid investments, may be unable to achieve its desired level of exposure to a certain sector or asset class. A fund is required by law to maintain a liquidity risk management program to assess and manage the fund's liquidity risk. This program is intended to reduce liquidity risk, but may not achieve the desired results. Analyses and judgments made under the program may be incorrect, and changes in market conditions, which may be rapid and unexpected, may adversely affect the program.

**Managed Risk Strategy:** Each fund employs a managed risk strategy by seeking to track the performance of its Underlying Index. Each fund's Underlying Index is a managed risk index designed to simulate a dynamic portfolio with the aim of managing the volatility of the Underlying Index and limiting losses from the Underlying Index's equity exposure due to severe sustained market declines but may not work as intended. The strategy may result in periods of underperformance, may limit a fund's ability to participate in rising markets and may increase transaction costs. A fund's performance may be lower than similar funds that are not subject to a managed risk strategy.

**Market:** The market values of a fund's securities and other assets will fluctuate, sometimes rapidly or unpredictably, due to changes in general market conditions, overall economic trends or events, government actions or interventions, actions taken by the U.S. Federal Reserve or foreign central banks, political developments, investor sentiment, public health emergencies such as a pandemic, and other factors that may or may not be related to the issuer of the security or other asset. The market prices of securities and other assets also may go down due to events or conditions that affect particular sectors, industries, issuers, or geographies. Adverse market conditions may be prolonged and may not have the same impact on all types of securities or other assets. If the value of the securities or other assets owned by the fund fall, the value of your investment will go down. A fund may experience a substantial or complete loss on any individual security or asset.

In the past decade, financial markets throughout the world have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers defaulted on, or were forced to restructure, their debts. These market conditions may continue, worsen or spread.

Economies and financial markets throughout the world are increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, public health events, terrorism, technology and data interruptions, natural disasters, and other circumstances in one or more countries or regions could be highly disruptive to, and have profound impacts on, global economies or markets. As a result, whether or not a fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of a fund's investments may go down. Securities markets may also be susceptible to market manipulation or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or adversely affect the value of securities traded in these markets, including a fund's securities.

The COVID-19 pandemic has caused substantial market disruption and dislocation around the world, including in the United States. There have been periods of extreme volatility, and periods where there have been no buyers for certain securities, including U.S. Treasury securities. Some sectors of the economy and individual issuers have experienced particularly large losses. The pandemic has reduced liquidity of particular investments and asset classes; resulted in significant disruptions to business operations, including business closures; strained healthcare systems; disrupted supply chains, consumer demand and employee availability; and restricted travel. These conditions may continue for an extended period of time, or worsen. The pandemic may result in a sustained domestic or global economic downturn or recession. Developing or emerging market countries may be more adversely impacted. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known.

The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the financial markets in response to the COVID-19 pandemic. These actions have resulted in significant expansion of public debt, including in the United States. The long-term consequences of this level of public debt are not known. In addition, certain interest rates have been reduced to very low levels. This and other government intervention into the economy and financial markets to address the pandemic may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results.

The COVID-19 pandemic could continue to adversely affect the value and liquidity of the fund's investments, impair the fund's ability to satisfy redemption requests, and negatively impact the fund's performance.

*Europe.* A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within or outside Europe. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not work, may result in conflicts and social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. On January 31, 2020, the United Kingdom withdrew from the European Union. This resulted in significant political and economic uncertainty, and the outcome and ramifications may not be known for some time. Given the size and importance of the United Kingdom's economy, uncertainty about its legal, political, and economic relationship with the remaining member states of the European Union may continue to be a source of instability. Moreover, other countries may seek to withdraw from the European Union and/or abandon the euro, the common currency of the European Union. A number of countries in Europe have suffered terror attacks, and additional attacks may occur in the future. The Ukraine has experienced ongoing military conflict; this conflict may expand and military conflicts could potentially occur elsewhere in Europe. Europe has also been struggling with mass migration from the Middle East and Africa. The ultimate effects of these events and other socio-political or geopolitical issues are not known but could profoundly affect global economies and markets. Whether or not a fund invests in securities of issuers located in Europe or with significant exposure to European issuers or countries, these events could negatively affect the value and liquidity of the fund's investments.

**Market Trading:** The NAV of a fund and the value of your investment may fluctuate. Market prices of Fund Shares may fluctuate in response to changes in a fund's NAV, the intraday value of the fund's holdings and supply and demand for Fund Shares. There can be no assurance that an active market for Fund Shares will develop or be maintained. Each fund faces numerous market trading risks, including disruptions to creations and redemptions, the existence of extreme market volatility or lack of an active trading market for Fund Shares. Any of these factors, among others, may result in Fund Shares trading at a significant premium or discount to NAV. Fund Shares may face trading halts and/or de-listing. The bid-ask spread will vary over time based on a fund's trading volume and market liquidity and may increase as a result of a decrease in the fund's trading volume or market liquidity. The bid-ask spread may increase significantly in times of market disruption or volatility. If a shareholder purchases Fund Shares at a time when the market price is at a premium to the NAV or sells Fund Shares at a time when the market price is at a discount to the NAV, the shareholder may increase any losses the shareholder might otherwise sustain.

**Medium Capitalization Companies (*DeltaShares S&P 400 Managed Risk ETF, DeltaShares S&P International Managed Risk ETF and DeltaShares S&P EM 100 & Managed Risk ETF*):** Investing in medium capitalization companies involves greater risk than is customarily associated with more established companies. The prices of securities of medium capitalization companies generally are more volatile and are more likely to be adversely affected by changes in earnings results and investor expectations or poor economic or market conditions. Securities of medium capitalization companies may underperform larger capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses. Such companies usually do not pay significant dividends that could cushion returns in a falling market.

**Non-Diversification (*All funds*):** As a "non-diversified" fund, a fund may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent a fund invests its assets in a smaller number of issuers, it may be more susceptible to risks associated with a single economic, political or regulatory occurrence or other negative events affecting those issuers than a diversified fund.



**Operational:** Your investment in a fund may be negatively impacted because of the operational risks arising from factors such as processing errors and human errors, inadequate or failed internal or external processes, failures in systems and technology (including as a result of cybersecurity incidents), changes in personnel, and errors caused by third party service providers or trading counterparties. It is not possible to identify all of the operational risks that may affect a fund or to develop processes and controls that completely eliminate or mitigate the occurrence of such failures. A fund and its shareholders could be negatively impacted as a result.

**Passive Strategy/Index (*All funds*):** Each fund is managed with a passive investment strategy, attempting to track the performance of a rules based index of securities. Each fund will seek to replicate Underlying Index returns regardless of the current or projected performance of the Underlying Index or of the actual securities comprising the Underlying Index. This differs from an actively- managed fund, which typically seeks to outperform a benchmark index. Each fund generally will buy and will not sell a security included in the Underlying Index as long as the security is part of the Underlying Index regardless of any sudden or material decline in value or foreseeable material decline in value of the security, even though the Sub-Adviser may make a different investment decision for other actively managed accounts or portfolios that hold the security. As a result, a fund's performance may be less favorable than that of a portfolio managed using an active investment strategy. The structure and composition of an Underlying Index will affect the performance, volatility, and risk of the Underlying Index (in absolute terms and by comparison with other indices) and, consequently, the performance, volatility, and risk of the relevant fund.

**Portfolio Turnover:** Due to each Underlying Index's methodology, during periods of higher volatility, a fund may experience greater portfolio turnover. Portfolio turnover generally involves a number of direct and indirect costs and expenses to a fund, including, for example, brokerage commissions, dealer mark-ups and bid/asked spreads, and transaction costs on the sale of securities and reinvestment in other securities. The costs related to increased portfolio turnover have the effect of reducing a fund's investment return, and the sale of securities by the fund may result in the realization of taxable capital gains, including short-term capital gains.

**Regulatory (*All funds*):** In recent years, the U.S. government adopted and implemented regulations governing derivatives markets, including mandatory clearing of certain derivatives as well as margin, reporting and registration requirements. Additional U.S. or other regulations may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives. The Dodd-Frank Wall Street Reform Act (the "Reform Act") substantially increased regulation of the over-the-counter ("OTC") derivatives market and participants in that market, including imposing clearing and reporting requirements on transactions involving instruments that fall within the Reform Act's definition of "swap" and "security-based swap," which terms generally include OTC derivatives, and imposing registration and potential substantive requirements on certain swap and security-based swap market participants. In addition, under the Reform Act, a fund may be subject to additional recordkeeping and reporting requirements. In 2020, the SEC adopted new Rule 18f-4 under the 1940 Act, which provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as a fund, and set limits on a fund's investments in derivatives. Compliance with the rule is not required until Summer 2022, but the rule may impact the fund's use of derivatives before that date. The SEC has also adopted new Rule 12d1-4 under the 1940 Act, which provides an enhanced regulatory framework applicable to fund of fund arrangements. The ultimate impact of the new rules remains unclear. Legislation or regulation may also change the way in which a fund itself is regulated. The impact of any new governmental regulation that may be implemented on the ability of a fund to use swaps or any other financial derivative product is not known at this time, and there can be no assurance that any new governmental regulation will not adversely affect a fund's ability to achieve its investment objective.

**Securities Lending:** Each fund may lend securities to other financial institutions that provide cash or U.S. government or agency securities as collateral. When a fund lends portfolio securities, its investment performance will continue to reflect changes in the value of the securities loaned, and the fund will also receive a fee or interest on the collateral. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, a fund may lose money and there may be a delay in recovering the loaned securities. A fund could also lose money if it does not recover the securities and/or the value of cash or non-cash collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences for a fund.

**Small Capitalization Companies (*DeltaShares S&P 600 Managed Risk ETF*):** Investing in small capitalization companies involves greater risk than is customarily associated with more established companies. The prices of securities of small capitalization companies generally are more volatile than those of larger capitalization companies and are more likely to be adversely affected than larger capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small capitalization companies may underperform larger capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater

potential for losses. Small capitalization companies often have limited product lines, markets, or financial resources and their management may lack depth and experience. Such companies usually do not pay significant dividends that could cushion returns in a falling market.

**Tax:** In order to qualify for treatment as a regulated investment company (“RIC”) under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), each fund must meet certain requirements regarding the composition of its income, the diversification of its assets, and the amounts of its distributions. In particular, a fund must generally diversify its holdings so that, at the end of each quarter of each taxable year, (1) at least 50% of the value of the fund’s total assets is represented by cash and cash items, U.S. government securities, securities of other regulated investment companies, and (2) other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of the fund’s total assets and to not more than 10% of the outstanding voting securities of such issuer. If a fund were to fail to meet any of these requirements, the fund might not be eligible for treatment as a RIC, in which case it would be subject to federal income tax on its net income at corporate rates (without reduction for distributions to shareholders). A fund may be able to preserve its RIC qualification by meeting certain conditions, in which case it may be subject to certain additional taxes.

**Trading Issues:** Although Fund Shares are listed for trading on the Exchange and may be listed or traded on U.S. and non-U.S. stock exchanges other than the Exchange, there can be no assurance that an active trading market for such Fund Shares will develop or be maintained. Trading in Fund Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Fund Shares inadvisable. In addition, trading in Fund Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to Exchange “circuit breaker” rules. There can be no assurance that the requirements of the Exchange necessary to maintain the listing of a fund will continue to be met or will remain unchanged or that Fund Shares will trade with any volume, or at all, on any stock exchange.

**Underlying Exchange Traded Funds:** To the extent a fund invests its assets in underlying ETFs, its ability to achieve its investment objective will depend in part on the performance of the underlying ETFs in which it invests. Investing in underlying ETFs subjects a fund to the risks of investing in the underlying securities or assets held by those ETFs. Each of the underlying ETFs in which a fund may invest has its own investment risks, and those risks can affect the value of the underlying ETFs’ shares and therefore the value of the fund’s investments. There can be no assurance that the investment objective of any underlying ETF will be achieved. To the extent that a fund invests more of its assets in one underlying ETF than in another, the fund will have greater exposure to the risks of that underlying ETF. In addition, a fund will bear a pro rata portion of the operating expenses of the underlying ETFs in which it invests.

An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange-traded) that has the same investment objectives, strategies and policies. The price of an ETF can fluctuate up and down, and a fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to certain risks that do not apply to conventional funds, including: (i) the market price of an ETF’s shares may be above or below the shares’ net asset value; (ii) during periods of market volatility, the share prices of ETFs may deviate significantly from their NAVs; (iii) an active trading market for an ETF’s shares may not develop or be maintained; (iv) trading of an ETF’s shares may be halted if the listing exchange’s officials deem such action appropriate, the shares are delisted from the exchange, the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally, or trading in one or more of the ETF’s underlying securities is halted, which could result in the ETF being more volatile; or (v) a limited number of institutions may act as authorized participants to create or redeem block-sized units of ETF shares. In the event substantial market or other disruptions affecting ETFs should occur in the future, the liquidity and value of a fund’s shares could also be substantially and adversely affected.

**U.S. Government and Agency Obligations (*All funds*):** Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. government that are supported by the full faith and credit of the United States, such as the Federal Housing Administration and Ginnie Mae, present little credit risk. Other securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the issuer’s right to borrow from the U.S. Treasury, subject to certain limitations, such as securities issued by Federal Home Loan Banks and securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the credit of the issuing agencies, such as Freddie Mac and Fannie Mae, are subject to a greater degree of credit risk. A security backed by the “full faith and credit” of the U.S. government is guaranteed only as to its stated interest rate and face value at maturity, not its current market price.

## **AEGON Global Funds (UCITS)**

TAM serves as the investment adviser to AEGON Global Funds, an investment company organized under the laws of Luxembourg that is registered with the Luxembourg *Commission de Surveillance du Secteur Financier* and authorized as a UCITS. AEGON Global Funds is an umbrella fund with one Sub-Fund. TAM oversees the investment and reinvestment of the assets of the Sub-Fund and supervises the delegation of the day-to-day duties to a sub-adviser. The Sub-Fund is available for public offer and sale in Luxembourg and may not be offered or sold in the United States or to any United States Person (as defined in the prospectus of the AEGON Global Funds), except in compliance with the federal tax and securities laws of the United States and of any state thereof in which such offer or sale is made. Risks of investing in the Sub-Fund may include: Active Trading, Cash Management and Defensive Investing, Collateral Management, Counterparty, Currency, Depository Receipts, Emerging Markets, Equity Securities, Expenses, Focused Investing, Large Capitalization Companies, Liquidity, Market, Non-U.S. Investments, Portfolio Selection, Small and Medium Capitalization Companies, Sub-Adviser, Valuation, Value Investing, and Warrants and Rights.

## **Collective Trust**

TAM serves as the investment adviser and renders non-discretionary investment advice to a collective trust, an unregistered privately-offered pooled investment vehicle. The trustee of the Collective Trust, MFTC (for purposes of this sub-section, the “**Trustee**”), retains final and complete authority to accept or reject TAM’s recommendations. Each series of the Collective Trust has its own objectives, principal investment strategies and risks, policies and restrictions, as set forth in the offering memorandum for the Collective Trust.

The Collective Trust is established for the collective investment of assets of participating eligible investors, such as retirement plans and insurance company separate accounts, in one or more series of the Collective Trust. Each series of the Collective Trust (for purposes of this sub-section, each a “**Series**”), invests in securities through an underlying fund (for purposes of this sub-section, a “**Fund**”) which is a series of TF, or, for one series, a third party collective investment trust fund, having the same investment goals and strategies as the investing Series. The asset allocation series of the Collective Trust (for purposes of this sub-section, the “**Asset Allocation Series**”) will invest in one or more Series of the Collective Trust. The Series and Asset Allocation Series are as follows:

**Bond Collective Trust Fund Series:** Transamerica High Quality Bond – Collective Trust Fund, Transamerica High Yield Bond – Collective Trust Fund, Transamerica Intermediate Bond – Collective Trust Fund, and Transamerica Inflation-Protected Securities – Collective Trust Fund

**Money Market Collective Trust Series:** Transamerica Government Money Market – Collective Trust Fund

**Stock Collective Trust Fund Series:** Transamerica International Equity – Collective Trust Fund, Transamerica Large Core – Collective Trust Fund, Transamerica Large Growth – Collective Trust Fund, Transamerica Large Value Opportunities – Collective Trust Fund, Transamerica Mid Cap Growth – Collective Trust Fund, Transamerica Mid Cap Value Opportunities – Collective Trust Fund, Transamerica Small Cap Growth – Collective Trust Fund, and Transamerica Small Cap Value – Collective Trust Fund, and Transamerica Stock Index – Collective Trust Fund

**Asset Allocation Series:** Transamerica Asset Allocation – Intermediate Horizon – Collective Trust Fund, Transamerica Asset Allocation – Intermediate/Long Horizon – Collective Trust Fund, Transamerica Asset Allocation – Long Horizon – Collective Trust Fund, Transamerica Asset Allocation – Short Horizon – Collective Trust Fund and Transamerica Asset Allocation – Short/Intermediate Horizon – Collective Trust Fund

The Asset Allocation Series invest in other series of the Collective Trust.

TAM serves as the investment manager of each underlying Fund with the exception of the Fund in which Transamerica Stock Index – Collective Trust Fund invests. The non-Asset Allocation Series and corresponding Funds are listed below.

<b>Series</b>	<b>Fund</b>
Transamerica High Quality Bond – Collective Trust Fund	Transamerica High Quality Bond
Transamerica High Yield Bond – Collective Trust Fund	Transamerica High Yield Bond
Transamerica Intermediate Bond – Collective Trust Fund	Transamerica Intermediate Bond
Transamerica Inflation-Protected Securities – Collective Trust Fund	Transamerica Inflation-Protected Securities
Transamerica Government Money Market – Collective Trust Fund	Transamerica Government Money Market
Transamerica International Equity – Collective Trust Fund	Transamerica International Equity
Transamerica Large Core – Collective Trust Fund	Transamerica Large Core
Transamerica Large Growth – Collective Trust Fund	Transamerica Large Growth
Transamerica Large Value Opportunities – Collective Trust Fund	Transamerica Large Value Opportunities
Transamerica Mid Cap Growth – Collective Trust Fund	Transamerica Mid Cap Growth
Transamerica Mid Cap Value Opportunities – Collective Trust Fund	Transamerica Mid Cap Value Opportunities
Transamerica Small Cap Growth – Collective Trust Fund	Transamerica Small Cap Growth
Transamerica Small Cap Value – Collective Trust Fund	Transamerica Small Cap Value
Transamerica Stock Index – Collective Trust Fund	BlackRock Equity Index Fund F

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

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

The following is a summary of certain risks (in alphabetical order) of investing in the Series and Asset Allocation Series. As each Series and Asset Allocation Series invests directly in a Fund within the Fund Complex, please also see the “TF and TST Risks” above.

The Series and Asset Allocation Series are subject to the following main investment risks (in alphabetical order). This summary of certain risks is not a complete list of the risks involved in investing in the Series and Asset Allocation Series. Each risk described below may not apply to each Series or Asset Allocation Series and each Series or Asset Allocation Series may be subject to additional or different risks than those described below.

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

**Asset Allocation:** The Trustee and TAM allocate an Asset Allocation Collective Trust Fund's assets among various asset classes and underlying Series which in turn invest in underlying Funds. These allocations may be unsuccessful in maximizing a Fund's return and/or avoiding investment losses, and may cause a Fund to underperform. The value of your investment may decrease if their judgments about the attractiveness, value or market trends affecting a particular asset class, investment style, technique or strategy, underlying fund or other issuer are incorrect.

**Asset Class Variation:** The underlying Funds invest principally in the securities constituting their asset class (*i.e.*, equity or fixed income). However, an underlying Fund may vary the percentage of its assets in these securities (subject to any applicable regulatory requirements). Depending upon the percentage of securities in a particular asset class held by the underlying Fund at any given time, and the percentage of an Asset Allocation Collective Trust Fund's assets invested in various underlying Funds through underlying Series, the Fund's actual exposure to the securities in a particular asset class may vary substantially from its target allocation for that asset class.

**Bank Obligations:** To the extent a Fund invests in bank obligations, the Fund will be more susceptible to negative events affecting the banking industry. Banks are sensitive to changes in money market and general economic conditions. Banks are highly regulated. Decisions by regulators may limit the loans banks make and the interest rates and fees they charge, and may reduce bank profitability.

**Convertible Securities:** Convertible securities share investment characteristics of both fixed income and equity securities. The value of these securities may vary more with fluctuations in the value of the underlying common stock than with fluctuations in interest rates. The value of convertible securities also may be less volatile than the underlying common stock. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. A Fund could lose money if the issuer of a convertible security is unable to meet its financial obligations or goes bankrupt.

**Counterparty:** A Fund will be subject to credit risk (meaning the risk of adverse changes in an issuer's real or perceived financial strength) with respect to counterparties to derivatives, repurchase agreements and other financial contracts entered into by the Fund or held by special purpose or structured vehicles. Adverse changes to counterparties may cause the value of financial contracts to go down. If a counterparty becomes bankrupt or otherwise fails to perform its obligations, the value of your investment in a Series may decline.

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

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

**Currency Hedging:** A Fund may hedge its currency risks using currency futures, forwards or options. However, hedging strategies and/or these instruments may not always work as intended, and a Fund may be worse off than if it had not used a hedging strategy or instrument.

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

**Derivatives:** Using derivatives exposes a Fund to additional risks and can increase Fund losses and reduce opportunities for gains when market prices, interest rates, currencies, or the derivatives themselves, behave in a way not anticipated by the Fund. Using derivatives may have a leveraging effect, increase Fund volatility and not produce the result intended. Certain derivatives

have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may be difficult to sell, unwind or value, and the counterparty may default on its obligations to the Fund. Derivatives are generally subject to the risks applicable to the assets, rates, indices or other indicators underlying the derivative. The value of a derivative may fluctuate more than, or otherwise not correlate well with, the underlying assets, rates, indices or other indicators to which it relates. Use of derivatives may have different tax consequences for the Fund than an investment in the underlying security, and those differences may affect the amount, timing and character of income distributed to shareholders. The U.S. government and foreign governments are in the process of adopting and implementing regulations governing derivatives markets, including mandatory clearing of certain derivatives, margin and reporting requirements. The ultimate impact of the regulations remains unclear. Additional regulation of derivatives may make derivatives more costly, limit their availability or utility, otherwise adversely affect their performance or disrupt markets. For additional information regarding derivatives, see “More on Risks of Investing in the Series—More on Principal Risks: Derivatives” in Appendix A to the offering memorandum for the Collective Trust. In addition, the SEC has proposed a new rule that would change the regulation of the use of derivatives by registered investment companies, such as the Fund. If the proposed rule, or a different rule, takes effect, it could limit the ability of the Fund to invest in derivatives.

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

**Dollar Rolls:** The use of dollar rolls is a speculative technique involving leverage, and can have an economic effect similar to borrowing money. Dollar roll transactions involve the risk that the market value of the securities a Fund is required to purchase may decline below the agreed upon repurchase price of those securities. If the broker/dealer to whom the Fund sells securities becomes insolvent, the Fund’s right to purchase or repurchase securities may be restricted.

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

**Equity Securities:** Equity securities represent an ownership interest in an issuer, rank junior in a company’s capital structure and consequently may entail greater risk of loss than debt securities. Equity securities include common and preferred stocks. Stock markets are volatile. Equity securities may have greater price volatility than other asset classes, such as fixed income securities, and fluctuate based on changes in a company’s financial condition and overall market and economic conditions. If the market prices of the equity securities owned by a Fund fall, the value of your investment in the Fund will decline. If the Fund holds equity securities in a company that becomes insolvent, the Fund’s interests in the company will rank junior in priority to the interests of debtholders and general creditors of the company.

**Extension:** When interest rates rise, repayments of fixed income securities, particularly asset- and mortgage-backed securities, may occur more slowly than anticipated, extending the effective duration of these fixed income securities at below market interest rates and causing their market prices to decline more than they would have declined due to the rise in interest rates alone. This may cause a Fund’s share price to be more volatile or go down.

**Fixed-Income Securities:** The value of fixed-income securities may go up or down, sometimes rapidly and unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates, lack of liquidity in the bond markets or adverse investor sentiment. In addition, the value of a fixed income security may decline if the issuer or other obligor of the security fails to pay principal and/or interest, otherwise defaults or has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines. If the value of fixed-income securities owned by a Fund fall, the value of your investment will go down. The value of your investment will generally go down when interest rates rise. Interest rates have been at historically low levels, so the Fund faces a heightened risk that interest rates may rise. Interest rates have been historically low. A general rise in interest rates may cause investors to move out of fixed-income securities on a large scale, which could adversely affect the price and liquidity of fixed-income securities. A rise in rates tends to have a greater impact on the prices of longer term or duration securities.

**Focused Investing:** To the extent a Fund invests in a limited number of countries, regions, sectors or industries, or in a limited number of issuers, the Fund will be more susceptible to negative events affecting those countries, regions, sectors, industries or issuers, and the value of its shares may be more volatile than if invested more widely. Local events, such as political upheaval, financial troubles, or natural disasters may disrupt a country’s or region’s securities markets. Geographic risk is especially high in emerging markets.

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

**Growth Stocks:** Returns on growth stocks may not move in tandem with returns on other categories of stocks or the market as a whole. Growth stocks typically are particularly sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations may not be met, the prices of growth securities typically fall. Growth stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "value" stocks.

**Hedging:** A Fund may buy and sell futures contracts, put and call options, and forward contracts as a hedge. Some hedging strategies could hedge the Fund's portfolio against price fluctuations. Other hedging strategies would tend to increase the Fund's exposure to the securities market. Forward contracts could be used to try to manage foreign currency risks on the Fund's foreign investments. The Fund's hedging strategies may not work as intended, and the Fund may be in a less favorable position than if it had not used a hedging instrument.

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

**Index Fund:** An index fund has operating and other expenses while an index does not. As a result, while the Fund in which the Transamerica Stock Index – Collective Trust Fund invests will attempt to track the S&P 500 Index as closely as possible, it will tend to underperform the index to some degree over time. If an index fund is properly correlated to its stated index, the Fund will perform poorly when the index performs poorly.

**Industry Concentration:** The Fund in which the Transamerica Stock Index – Collective Trust Fund invests will typically concentrate its investments in issuers of one or more particular industries to the same extent that its underlying index is so concentrated. Concentration in a particular industry subjects the Fund to the risks associated with that industry. As a result, the Fund may be subject to greater price volatility and risk of loss as a result of adverse economic, business or other developments affecting that industry than funds investing in a broader range of industries.

**Inflation-Protected Securities:** Inflation-protected debt securities may react differently from other types of debt securities and tend to react to changes in "real" interest rates. Real interest rates represent nominal (stated) interest rates reduced by the expected impact of inflation. In general, the price of an inflation-protected debt security can fall when real interest rates rise, and can rise when real interest rates fall. Interest payments on inflation-protected debt securities can be unpredictable and will vary as the principal and/or interest is adjusted for inflation. Also, the inflation index utilized by a particular inflation-protected security may not accurately reflect the true rate of inflation, in which case the market value of the security could be adversely affected.

**Interest Rate:** Interest rates in the U.S. have been at historically low levels, so a Fund faces a heightened risk that interest rates may rise. The value of fixed income securities generally goes down when interest rates rise, and therefore the value of your investment in the Fund may also go down. Debt securities have varying levels of sensitivity to changes in interest rates. A rise in rates tends to have a greater impact on the prices of longer term or duration securities. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund.

**Legal and Regulatory:** Legal and regulatory changes could occur that may adversely affect a Fund, its investments, and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New or revised laws or regulations may be imposed by the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the IRS, the U.S. Federal Reserve or other governmental regulatory authorities or self-regulatory organizations that could adversely affect the Fund. The Fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

**Leveraging:** The value of your investment may be more volatile to the extent that a Fund borrows or uses derivatives or other investments, such as ETFs, that have embedded leverage. Other risks also will be compounded because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have. The use of leverage is considered to be a speculative investment practice and may result in the loss of a

substantial amount, and possibly all, of the Fund's assets. The Fund also may have to sell assets at inopportune times to satisfy its obligations.

**Liquidity:** A Fund may make investments that are illiquid or that become illiquid after purchase. Investments may become illiquid due to the lack of an active market, a reduced number of traditional market participants, or reduced capacity of traditional market participants to make a market in securities. The liquidity and value of investments can deteriorate rapidly and those investments may be difficult or impossible for the Fund to sell, particularly during times of market turmoil. These illiquid investments can be difficult to value. Markets may become illiquid when, for instance, there are few, if any, interested buyers or sellers or when dealers are unwilling to make a market for certain securities. As a general matter, dealers recently have been less willing to make markets for fixed income securities. If the Fund is forced to sell an illiquid investment to meet redemption requests or other cash needs, the Fund may be forced to sell at a loss. The Fund may not receive its proceeds from the sale of securities for an extended period (for example, several weeks or even longer).

**Loans:** Loans are subject to the credit risk of nonpayment of principal or interest. Economic downturns or increases in interest rates may cause an increase in defaults, interest rate risk and liquidity risk. Loans may or may not be collateralized at the time of acquisition, and any collateral may be relatively illiquid or lose all or substantially all of its value subsequent to investment. In the event of bankruptcy of a borrower, a Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a loan. Junior loans, which have a lower place in the borrower's capital structure than senior loans and may be unsecured, involve a higher degree of overall risk than senior loans of the same borrower. The Fund's investments in loans are also subject to prepayment or call risk. Loans may have settlement periods in excess of seven days. Failure to receive sales proceeds on a timely basis may constrain the Fund's ability to meet its obligations (including obligations to redeeming shareholders).

**Management:** A Fund is subject to the risk that the investment adviser's or sub-adviser's judgments and decisions may be incorrect or otherwise may not produce the desired results. The value of your investment may decrease if the sub-adviser's judgment about the quality, relative yield or value of, or market trends affecting, a particular security or issuer, industry, sector, region or market segment, or about the economy or interest rates, is incorrect. The Fund may also suffer losses if there are imperfections, errors or limitations in the quantitative, analytic or other tools, resources, information and data used, or the analyses employed or relied on, by the sub-adviser, if such tools, resources, information or data are used incorrectly, fail to produce the desired results or otherwise do not work as intended, or if the sub-adviser's investment style is out of favor or otherwise fails to produce the desired results. The Fund's investment strategies designed by the investment manager may not work as intended. In addition, the Fund's investment strategies or policies may change from time to time. Those changes may not lead to the results intended by the investment adviser and could have an adverse effect on the value or performance of the Fund. Any of these things could cause the Fund to lose value or its results to lag relevant benchmarks or other funds with similar objectives.

**Market:** The value of a Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment. Adverse market conditions may be prolonged and may not have the same impact on all types of securities. The value of securities also may go down due to events or conditions that affect particular sectors, industries or issuers. If the value of the securities owned by the Fund fall, the value of your investment will go down. The Fund may experience a substantial or complete loss on any individual security.

In the past decade, financial markets throughout the world, have experienced increased volatility, depressed valuations, decreased liquidity and heightened uncertainty. Governmental and non-governmental issuers have defaulted on, or been forced to restructure, their debts. These market conditions may continue, worsen or spread. Events that have contributed to these market conditions include, but are not limited to, major cybersecurity events; geopolitical events (including wars and terror attacks); measures to address budget deficits; downgrading of sovereign debt; declines in oil and commodity prices; dramatic changes in currency exchange rates; and public sentiment. The European Union has experienced increasing stress for a variety of reasons, including economic downturns in various member countries. In June 2016, the United Kingdom voted to withdraw from the European Union, and additional members could do the same. The impact of these conditions and events is not yet known.

The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken steps to support financial markets, including by keeping interest rates at historically low levels. This and other government interventions may not work as intended, particularly if the efforts are perceived by investors as being unlikely to achieve the desired results. The Federal Reserve recently has reduced its market support activities and has begun raising interest rates. Certain foreign governments and central banks are implementing or discussing so-called negative interest rates (e.g., charging depositors who keep their cash at a bank) to spur economic growth. Further Federal Reserve or other U.S. or non-U.S. governmental or central bank support actions, including interest rate increases or contrary actions by different governments, could negatively affect financial markets generally, increase market volatility, and reduce the value and liquidity of securities in which a Fund invests.



Policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and may in some instances contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes on the markets, and the practical implications for market participants, may not be fully known for some time.

Economies and financial markets throughout the world are becoming increasingly interconnected. Economic, financial or political events, trading and tariff arrangements, terrorism, natural disasters and other circumstances in one country or region could have profound impacts on global economies or markets. As a result, whether or not the Fund invests in securities of issuers located in or with significant exposure to countries experiencing economic and financial difficulties, the value and liquidity of the Fund's investments may be negatively affected.

**Model and Data:** If quantitative models, algorithms or calculations (whether proprietary and developed by the sub-adviser or supplied by third parties) ("Models") or information or data supplied by third parties ("Data") prove to be incorrect or incomplete, any decisions made, in whole or part, in reliance thereon expose a Fund to additional risks. Models can be predictive in nature. The use of predictive Models has inherent risks. The success of relying on or otherwise using Models depends on a number of factors, including the validity, accuracy and completeness of the Model's development, implementation and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other Data. Models rely on, among other things, correct and complete Data inputs. If incorrect Data is entered into even a well-founded Model, the resulting information will be incorrect. However, even if Data is input correctly, Model prices may differ substantially from market prices, especially for securities with complex characteristics. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model or other factors. There also can be no assurance that the use of Models will result in effective investment decisions for the Fund.

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

**Municipal Securities:** Municipal issuers may be adversely affected by rising health care costs, increasing unfunded pension liabilities, and by the phasing out of federal programs providing financial support. Unfavorable conditions and developments relating to projects financed with municipal securities can result in lower revenues to issuers of municipal securities, potentially resulting in defaults. The value of municipal securities can also be adversely affected by changes in the financial condition of one or more individual municipal issuers or insurers of municipal issuers, regulatory and political developments, tax law changes or other legislative actions, and by uncertainties and public perceptions concerning these and other factors. To the extent a Fund invests significantly in a single state or in securities the payments on which are dependent upon a single project or source of revenues, or that relate to a sector or industry, the Fund will be more susceptible to associated risks and developments. In recent periods an increasing number of municipal issuers have defaulted on obligations, commenced insolvency proceedings, or suffered credit downgrading. Financial difficulties of municipal issuers may continue or worsen.

A Fund may invest in municipal securities of issuers in Puerto Rico or other U.S. territories, which are exempt from federal, state, and, where applicable, local income taxes. These municipal securities may have more risks than tax-exempt securities issued by other issuers. Like many U.S. states and municipalities, Puerto Rico experienced a significant downturn during the recent recession. Puerto Rico's downturn was particularly severe, and it continues to face a very challenging economic and fiscal environment. As a result, securities issued by many Puerto Rican issuers have low credit ratings or are on "negative watch" by credit rating organizations, and markets in such securities have been volatile. If the economic situation in Puerto Rico persists or worsens, the volatility and credit quality of Puerto Rican municipal securities could be adversely affected, and the market for such securities may experience continued volatility.

**New Fund:** Certain Funds are newly formed. Investors in a Fund bear the risk that the sub-adviser may not be successful in implementing its investment strategy, and may not employ a successful investment strategy, or that the Fund may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders.

**Non-Diversification:** Each Asset Allocation Collective Trust Fund is classified as “non-diversified,” which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the Fund invests its assets in fewer issuers, the Fund will be more susceptible to negative events affecting those issuers than a diversified fund.

**Passive Investment:** Because the investment adviser of the underlying Fund does not select individual companies in the index that the Fund tracks, the Fund in which the Transamerica Partners Stock Index – Collective Trust Fund invests, the Fund may hold securities of companies that present risks that an investment adviser researching individual securities might seek to avoid.

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

**Prepayment or Call:** Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, a Fund will not benefit from the rise in market price that normally accompanies a decline in interest rates, and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on the prepaid security. A Fund also may lose any premium paid on prepaid the securities.

**Recent Events:** The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and major disruption to economies and markets around the world, including the United States. Financial markets have experienced extreme volatility and severe losses, and trading in many instruments has been disrupted. Liquidity for many instruments has been greatly reduced for periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the fund’s investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, will not be known for some time.

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

**Repurchase Agreements:** If the other party to a repurchase agreement defaults on its obligation, a Fund may suffer delays and incur costs or lose money in exercising its rights under the agreement. If the seller fails to repurchase the security and the market value declines, the Fund could lose money. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Fund’s ability to dispose of the underlying securities may be restricted. In addition, if the Fund is characterized by a court as an unsecured creditor, it would be at risk of losing some or all of the principal and interest involved in the transaction.

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

**Small and Medium Capitalization Companies:** A Fund will be exposed to additional risks as a result of their investments in the securities of small or medium capitalization companies. Small or medium capitalization companies may be more at risk than large capitalization companies because, among other things, they may have limited product lines, operating history, market or financial resources, or because they may depend on a limited management group. The prices of securities of small and medium

capitalization companies generally are more volatile than those of large capitalization companies and are more likely to be adversely affected than large capitalization companies by changes in earnings results and investor expectations or poor economic or market conditions. Securities of small and medium capitalization companies may underperform large capitalization companies, may be harder to sell at times and at prices the portfolio managers believe appropriate and may offer greater potential for losses.

**Sovereign Debt:** Sovereign debt instruments are subject to the risk that the governmental entity may delay or fail to pay interest or repay principal on its sovereign debt. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There may be no established legal process for collecting sovereign debt that a government does not pay, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

**Structured Instruments:** A Fund may invest in, or have exposure to, various types of structured instruments, including securities that have demand, tender or put features, or interest rate reset features. Structured instruments are a type of derivative instrument and the payment and credit qualities of these instruments derive from the assets embedded in the structure from which they are issued. Structured instruments may behave in ways not anticipated by a Fund, or they may not receive tax, accounting or regulatory treatment anticipated by a Fund.

**Tracking Error:** Imperfect correlation between the portfolio securities of the Fund in which the Transamerica Stock Index – Collective Trust Fund invests and those in the index that the Fund tracks, Fund fees and expenses, maintenance of cash balances to meet withdrawal requests, rounding of prices and changes to an index and regulatory policies may cause tracking error, which is the divergence of the Fund’s performance from that of the Fund’s benchmark index.

**Underlying Series:** When the Asset Allocation Collective Trust Fund invests its assets in various underlying Series which in turn invest in underlying Funds, the Fund’s ability to achieve its investment objective depends largely on the performance of the underlying Funds of the Series in which it invests. Each of the underlying Series in which a Fund may invest has its own investment risks, and those risks can affect the value of the underlying Series’ shares and therefore the value of a Fund’s investments. There can be no assurance that the investment objective of any underlying Series or underlying Fund will be achieved. To the extent that a Fund invests more of its assets in one underlying Series than in another, the Fund will have greater exposure to the risks of that underlying Series and corresponding underlying Fund. In addition, the Fund will bear a pro rata portion of the operating expenses of the underlying Series in which it invests and the operating expenses of the underlying Funds in which the underlying Series invest.

**U.S. Government Agency Obligations:** Government agency obligations have different levels of credit support and, therefore, different degrees of credit risk. Securities issued by agencies and instrumentalities of the U.S. government that are supported by the full faith and credit of the U.S. generally present a lesser degree of credit risk than securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the issuer’s right to borrow from the U.S. Treasury and securities issued by agencies and instrumentalities sponsored by the U.S. government that are supported only by the credit of the issuing agencies.

**Valuation:** The sales price a Fund could receive for any particular portfolio investment may differ from the Fund’s valuation of the investment, particularly for securities that trade in thin or volatile markets, that are priced based upon valuations provided by third-party pricing services that use matrix or evaluated pricing systems, or that are valued using a fair value methodology. Investors who purchase or redeem fund shares on days when the fund is holding fair-valued securities may receive fewer or more shares or lower or higher redemption proceeds than they would have received if the fund had not fair-valued securities or had used a different valuation methodology. The Fund’s ability to value its investments may be impacted by technological issues and/or errors by pricing services or other third-party service providers.

**Value Investing:** The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down. The value approach to investing involves the risk that stocks may remain undervalued, undervaluation may become more severe, or perceived undervaluation may actually represent intrinsic value. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors “growth” stocks.

**Yield:** The amount of income received by a Fund will go up or down depending on day-to-day variations in short-term interest rates, and when interest rates are very low the Fund’s expenses could absorb all or a significant portion of the Fund’s income.

### Disciplinary Information

On August 27, 2018, TAM, Aegon USA Investment Management, LLC (“AUM”) and TCI reached a settlement with the SEC that resolved an investigation into asset allocation models and volatility overlays utilized by AUM when it served as sub-adviser to certain Transamerica-sponsored mutual funds, and related disclosures. TAM and TCI serve as investment manager and principal underwriter, respectively, to Transamerica-sponsored mutual funds. TCI also serves as the principal underwriter to the variable life insurance and annuity products through which certain Transamerica-sponsored mutual funds are offered. AUM, an affiliate of TAM and TCI, serves as sub-adviser to a number of Transamerica-sponsored mutual funds.

The SEC's order instituting administrative and cease-and-desist proceedings (the "Order") pertains to events that occurred during the period between July 2011 and June 2015, and, among other things, the operation and/or implementation of an asset allocation model utilized by AUIM when it served as sub-adviser to certain Transamerica tactical funds and asset allocation funds, the designation of the portfolio manager for certain of these funds as well as the operation and/or implementation of volatility overlays utilized by AUIM when it served as sub-adviser to the asset allocation funds. The Order also states that the parties failed to make appropriate disclosures regarding these matters, including in marketing materials, and failed to have adequate compliance policies and procedures. AUIM ceased to serve as sub-adviser to the Transamerica tactical funds on April 30, 2015 and to the Transamerica asset allocation funds on June 30, 2015.

Under the terms of the Order, AUIM, TAM and TCI were censured, and agreed, without admitting or denying the findings in the Order, to cease and desist from committing or causing any violations of certain statutory provisions and SEC rules. AUIM agreed to pay civil penalties of \$21,000,000, \$24,599,896 in disgorgement and \$3,682,195 in prejudgment interest. TAM agreed to pay civil penalties of \$10,500,000, \$15,000,000 in disgorgement and \$2,235,765 in prejudgment interest. TCI agreed to pay civil penalties of \$4,000,000, \$12,000,000 in disgorgement and \$1,826,022 in prejudgment interest. The amounts paid in disgorgement, prejudgment interest and civil penalties have been deposited into a Fair Fund for distribution to affected investors. Affected investors are those who purchased or held the relevant mutual funds, variable life insurance and annuity investment portfolios and separately managed account strategies during the period between July 2011 and June 2015. The Order states that these investors are to receive from the Fair Fund the pro rata fees and commissions paid by them during that period, subject to any de minimis threshold.

The settlement does not impose any restrictions on the business or continued ability of AUIM, TAM or TCI to serve the Funds.

The foregoing is only a brief summary of the Order. A copy of the Order is available on the SEC's website at <https://www.sec.gov>.

The Funds are affected by many factors and risks: for example, the risk that the sub-advisers' judgments and investment decisions, and methods, tools, resources, information, models and analyses utilized in making investment decisions, are incorrect or flawed, do not produce the desired results, and cause the Funds to lose value. See "Principal Risks" in the Funds' prospectuses.

On September 30, 2020, TAM, the investment manager of the funds, entered into a settlement with the SEC relating to expense recaptures. The recaptures at issue, which TAM self-reported to the SEC, involved amounts previously voluntarily waived and/or reimbursed to four money market funds to prevent the funds from experiencing a negative yield. In some cases recaptures under the voluntary yield waiver arrangements exceeded contractual expense limits. The recaptured amounts were not reflected in the funds' prospectus fee tables. The funds involved were Transamerica Government Money Market, Transamerica BlackRock Government Money Market VP, Transamerica Partners Government Money Market and Transamerica Partners Institutional Government Money Market. The two Transamerica Partners Government Money Market funds reorganized into Transamerica Government Money Market in October of 2017.

Under the settlement order, TAM agreed to pay affected fund investors approximately \$5.3 million in disgorgement and approximately \$690,000 in prejudgment interest. These amounts represent expenses incurred above the applicable expense limit (plus interest). TAM was also censured and ordered to cease and desist from committing or causing any violations of certain statutory provisions and SEC rules. The settlement order imposes no civil penalty on TAM based upon TAM having self-reported the matter, the prompt remedial steps taken by TAM, and TAM's cooperation in the SEC staff's investigation. The settlement order does not affect TAM's ability to manage the funds.

The foregoing is only a brief summary of the settlement order. A copy of the settlement order is available on the SEC's website at <https://www.sec.gov>.

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

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

Aegon Asset Management UK PLC, a registered investment adviser and an adviser registered with the Financial Conduct Authority in the United Kingdom and an affiliate of TAM, is a sub-adviser to a Fund.

AUIM, a registered investment adviser and an affiliate of TAM, is a sub-adviser to certain of the Funds.

TFS, an affiliate of TAM, is the Funds' transfer agent. TFS has outsourced the provision of certain transfer agency services to DST Asset Manager Solutions, Inc.

TCI, a registered broker-dealer, is an affiliate of TAM and acts as the Funds' distributor. Certain of the Funds have adopted distribution plans under Rule 12b-1 under the 1940 Act pursuant to which payments may be made to TCI in connection with the

offering or sale of shares of such Funds. TAM benefits from the sale of Fund shares, as its fees for services to Fund clients are based on a percentage of assets under management. TAM has an interest in increasing assets of the investment companies, including in circumstances when that may not be in the Funds' or their shareholders' interests.

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

Other related person broker-dealers include: Transamerica Investors Securities Corporation and TFA.

Transamerica Retirement Advisors, LLC and TFA, both registered investment advisers, are affiliates of TAM.

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

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

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

MFTC is an indirect, wholly-owned subsidiary of Aegon USA. MFTC sponsors and serves as trustee of collective trust funds for retirement plans.

### ***Conflicts of Interest***

TAM and its affiliates, directors, officers, employees and personnel (collectively, for purposes of this section, "**Transamerica**"), including the entities and personnel who may be involved in the management, operations or distribution of the Funds and the other funds and products managed or advised by Transamerica including, but not limited to, the Sub-Funds and the series of the Collective Trust (collectively, the "**Other Accounts**"), are engaged in a variety of businesses and have interests other than those related to managing the Funds and the Other Accounts. Transamerica is a global financial services company with many lines of business providing a wide range of financial services. The broad range of activities and interests of Transamerica gives rise to actual, potential and perceived conflicts of interest that could affect the Funds, the Other Accounts and their investors.

Certain actual and potential conflicts of interest are described below. This is not, and is not intended to be, a complete enumeration or description of all the actual and potential conflicts that may arise. Additional or unanticipated conflicts of interest may arise from time to time in the ordinary course of Transamerica's various businesses.

TAM, the Funds and the Other Accounts have adopted practices, policies and procedures that are intended to identify, manage and, where possible, mitigate conflicts of interest. There is no assurance, however, that these practices, policies and procedures will be effective, and these practices, policies and procedures also may limit the investment activities of the Funds and the Other Accounts and affect their performance.

In some cases Transamerica oversees sub-advisers who provide day-to-day investment advice and recommendations with respect to the Other Accounts, and in other cases Transamerica itself performs all aspects of the day-to-day management. Certain Other Accounts have investment objectives similar to or the same as those of the Funds and/or engage in transactions in the same types of securities and instruments as the Funds. Such transactions could affect the prices and availability of the securities and instruments in which a Fund invests, and could have an adverse impact on the Fund's performance. Other Accounts may buy or sell positions while the Funds are undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the funds. A position taken by Transamerica, on behalf of one or more Other Accounts, may be contrary to a position taken on behalf of a Fund or may be adverse to a company or issuer in which the Fund has invested. The results of the investment activities of the Funds may differ significantly from the results achieved for Other Accounts. Transamerica may give advice, and take action, with respect to any current or future Other Accounts that may compete or conflict with advice TAM may give to, or actions TAM may take for, the Funds. Transamerica may receive more compensation with respect to certain Other Accounts than that received with respect to the Funds or may receive compensation based on the performance of certain Other Accounts. Transamerica personnel may have greater economic and other interests in certain Other Accounts promoted or managed by such personnel as compared to the Funds.

TAM and certain of its affiliates provide services including investment management, administration, investment sub-advisory, shareholder servicing, distribution, and transfer agency services to the Funds and Other Accounts and earn fees from these

relationships. TAM and its affiliates face conflicts of interest when the Funds and Other Accounts select affiliated service providers because TAM and/or its affiliates receive greater compensation when they are used. Although these fees are generally based on asset levels, the fees are not directly contingent on Fund performance and TAM and its affiliates as service providers will still receive significant compensation from the Funds and Other Accounts even if shareholders lose money.

Transamerica and other financial service providers have conflicts associated with their promotion of the Funds or other dealings with the Funds that would create incentives for them to promote the Funds. Transamerica will directly or indirectly receive a portion of the fees and/or commissions charged to the Funds or their shareholders. Transamerica will also benefit from increased amounts of assets under management. These compensation matters create a financial incentive on the part of Transamerica to recommend the Funds over other accounts or products or to effect transactions differently in the Funds as compared to other accounts or products. Transamerica has an interest in increasing Fund assets, including in circumstances when that may not be in the Funds' or their shareholders' interests.

Transamerica and/or the Funds' sub-advisers (or their affiliates), out of their past profits and other available sources, provide cash payments or non-cash compensation to brokers and other financial intermediaries to promote the distribution of the Funds and Other Accounts or the variable insurance contracts that invest in certain Other Accounts. These arrangements are sometimes referred to as "revenue sharing" arrangements. The amount of revenue sharing payments is substantial and may be substantial to any given recipient. The presence of these payments and the basis on which an intermediary compensates its registered representatives or salespersons may create an incentive for a particular intermediary, registered representative or salesperson to highlight, feature or recommend the Funds or Other Accounts, at least in part, based on the level of compensation paid. Revenue sharing payments benefit Transamerica to the extent the payments result in more assets being invested in the Funds and Other Accounts on which fees are being charged.

A Fund's sub-adviser (or its affiliates) may make revenue sharing payments to Transamerica in connection with investments by holders of variable insurance contracts and other retirement products in funds advised by the sub-adviser (or its affiliates) that are offered in Transamerica insurance and retirement products. The sub-adviser's funds that are offered in these products may also make Rule 12b-1 and other payments to Transamerica. The Funds' sub-advisers (or their affiliates) may also make revenue sharing payments to Transamerica for their participation in functions, events and meetings sponsored by Transamerica. These payments present certain conflicts of interest and may provide a disincentive for TAM to recommend the termination of such sub-advisers.

Certain Other Accounts are offered as investment options through variable insurance contracts and other retirement products offered and sold by Transamerica insurance companies. The performance of certain Funds and Other Accounts may impact Transamerica's financial exposure under guarantees that the Transamerica insurance companies provide as issuers of the variable insurance contracts. TAM's investment decisions and the design of the Other Accounts may be influenced by these factors. For example, the Other Accounts being managed or designed in a more conservative fashion may help reduce potential losses and/or mitigate financial risks to the Transamerica insurance companies that provide the guarantees, and facilitate the provision of those guaranteed benefits, including by making more predictable the costs of the guarantees and by reducing the capital needed to provide them.

TAM serves as investment manager to and is responsible for all aspects of the day-to-day investment advice and management of certain Other Accounts which operate as funds of funds that invest in affiliated underlying funds and/or Other Accounts, and TAM is subject to conflicts of interest in allocating the funds of funds' assets among the underlying funds or Other Accounts. For certain Funds and Other Accounts that operate as funds of funds, TAM has hired a sub-adviser and is subject to conflicts of interest in connection with the selection and allocation by the sub-adviser of the assets of the fund of funds or Other Account. TAM has designed certain Funds and Other Accounts that operate as funds of funds where only affiliated funds are underlying investment options. This means that TAM or a fund of funds' sub-adviser, as applicable, does not, nor does it expect to, consider any unaffiliated funds as underlying investment option for these Funds and/or Other Accounts. g TAM will receive more revenue when it or a sub-adviser selects an affiliated fund rather than an unaffiliated fund for inclusion in a fund of funds. This conflict provides an incentive for TAM to include affiliated funds as investment options for funds of funds and, when making the underlying fund selections, to cause investments by funds of funds in affiliated funds that perform less well than unaffiliated funds. The inclusion of affiliated funds will also permit TAM and/or the sub-adviser to make increased revenue sharing payments, including to Transamerica. TAM has an incentive to allocate the funds of funds' assets to those underlying funds or Other Accounts for which the net management fees payable to TAM are higher than the fees payable by other underlying funds or Other Accounts or to those underlying funds or Other Accounts for which an affiliate of TAM serves as the sub-adviser. TAM has an incentive to allocate the funds of funds' assets to subscale underlying funds or Other Accounts to provide scale and reduce amounts waived and/or reimbursed by TAM to maintain applicable expense caps. Sub-advisers to certain funds of funds and certain funds of funds that are Other Accounts also have conflicts of interest in allocating the funds of funds' assets among underlying funds, including where the sub-adviser acts as investment adviser or sub-adviser to available underlying funds. TAM

Compliance monitors allocation changes by the funds of funds.

The Transamerica Managed Risk portfolios, series of TST, invest in Transamerica-sponsored ETFs, which are series of TET. As of the date of this Brochure, these portfolios hold a large portion of the outstanding shares of certain series of TET. TAM serves as the investment manager and Milliman Financial Risk Management LLC (“**Milliman**”) serves as the sub-adviser to the Transamerica Managed Risk portfolios and the Transamerica-sponsored ETFs. TAM and Milliman face actual and potential conflicts of interest with respect to Milliman’s allocation of the Transamerica Managed Risk portfolios’ assets among Transamerica-sponsored ETFs and unaffiliated ETFs. For example, TAM and Milliman will receive more revenue when Milliman selects a Transamerica-sponsored ETF rather than an unaffiliated ETF for inclusion in the portfolios. This conflict may provide an incentive for Milliman to select Transamerica-sponsored ETFs that perform less well than unaffiliated ETFs and/or have higher expense ratios than unaffiliated ETFs. TAM and Milliman have an incentive to provide scale to the Transamerica-sponsored ETFs to improve the viability of the ETFs and to reduce their expenses. Milliman also has an incentive to take into account the effect on a Transamerica-sponsored ETF in determining whether, and under what circumstances, to purchase or sell shares in that Transamerica-sponsored ETF.

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

The aggregation of assets of multiple Funds or Other Accounts for purposes of calculating breakpoints or discounts in management or sub-advisory fees based on the level of assets allocated to a sub-adviser across Funds and/or Other Accounts or otherwise, as applicable, give rise to actual, potential and/or perceived conflicts of interest that could disadvantage the Funds and their shareholders. This aggregation of assets creates an incentive for TAM to select sub-advisers, or allocate additional assets to a sub-adviser, where the selection or allocation may serve to lower a sub-advisory fee and possibly increase the management fee retained by TAM on a Fund or provides a disincentive for TAM to recommend the termination of a sub-adviser from a Fund if the termination will cause the sub-advisory fee payable by TAM to increase on a Fund or Other Account that aggregates its assets with the Fund or if the assets of the Fund are counted as part of a sub-advisory fee discount arrangement.

Transamerica has existing and may have potential future other business dealings or arrangements with current or proposed sub-advisers or other Fund service providers (or their affiliates) recommended by TAM. Such other business dealings or arrangements present conflicts of interest that could influence TAM’s selection and retention or termination of sub-advisers or service providers. For example, TAM has an incentive to hire as a sub-adviser or other service provider an entity with which TAM or one or more of its affiliates have, or would like to have, significant or other business dealings or arrangements, and TAM has a disincentive to recommend the termination of such a sub-adviser or service provider.

TAM and/or its affiliates also derive ancillary benefits from providing investment management, administration, investment sub-advisory, shareholder servicing, distribution, and transfer agency services to the Funds and Other Accounts, and providing such services to the Funds and Other Accounts may enhance TAM’s and/or its affiliates’ relationships with various parties, facilitate additional business development, and enable TAM and/or its affiliates to obtain additional business and generate additional revenue.

The range of activities, services and interests of a sub-adviser may give rise to actual, potential and/or perceived conflicts of interest that could disadvantage a Fund and its shareholders. Among other things, a sub-adviser’s portfolio managers may manage multiple funds and accounts for multiple clients. In addition to one or more funds, these funds and accounts may include, for example, other mutual funds, separate accounts, collective trusts, and offshore funds. Managing multiple funds and accounts may give rise to actual or potential conflicts of interest, including, for example, conflicts among investment strategies, conflicts in the allocation of limited investment opportunities, and conflicts in the aggregation and allocation of securities trades. A sub-adviser’s portfolio managers may also manage funds or accounts with different fee rates and/or fee structures, including performance-based fee arrangements. Differences in fee arrangements may create an incentive for a portfolio manager to favor higher-fee funds or accounts. A sub-adviser and/or its affiliates also may derive ancillary benefits from providing investment sub-advisory services to a Fund, and providing such services to a Fund may enhance the sub-adviser’s and/or applicable affiliate(s)’ relationships with various parties, facilitate additional business development, and enable the sub-adviser and/or affiliate to obtain additional business and generate additional revenue.

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

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

Pursuant to Rule 204A-1 under Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and Rule 17j-1 under the 1940 Act, TAM has adopted a code of ethics that permits its personnel to invest in securities for their own accounts, including securities that may be purchased or held by a Fund. All personnel must place the interests of clients first, must not act upon non-public information, must not take inappropriate advantage of their positions, and are required to fulfill their fiduciary obligations. All personal securities transactions by employees must adhere to the requirements of the codes of ethics and must be conducted in such a manner as to avoid any actual or potential conflict of interest, the appearance of such a conflict, or the abuse of an employee’s position of trust and responsibility.

## **Brokerage Practices**

### ***The Fund Complex***

TAM has the authority to place all orders for the purchase or sale of securities on behalf of the Funds with selected broker-dealers, subject to the duty to seek to obtain “best execution” (prompt and reliable execution at the most favorable price). Notwithstanding the foregoing, TAM generally is not engaged in selecting or recommending broker-dealers for clients because TAM has engaged, and intends to continue to engage, one or more sub-advisers to purchase and sell securities for each of the Funds (other than those asset allocation which are managed directly by TAM). Each sub-adviser is also subject to oversight by the directors/trustees of the applicable Fund. TAM does engage in futures trading in certain of the asset allocation funds.

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

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

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

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

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

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

A sub-adviser may use research products and services in servicing other accounts in addition to the Funds. If a sub-adviser



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

A sub-adviser may place transactions for the purchase or sale of portfolio securities with affiliates of TAM or the sub-adviser. A sub-adviser may place transactions if it reasonably believes that the quality of the transaction and the associated commission are fair and reasonable. Under rules adopted by the SEC, the Funds' governing boards will conduct periodic compliance reviews of such brokerage allocations and review certain procedures adopted by the governing boards to ensure compliance with these rules and to determine their continued appropriateness.

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

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

### ***Collective Trust***

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

## **Review of Accounts**

### ***The Fund Complex***

The Transamerica Funds Asset Allocation Funds, each a series of TF, along with Transamerica 60/40 Allocation VP, a series of TST, and TAAVF (collectively, the "**Asset Allocation Funds**"), were designed to address a particular segment of the risk/reward spectrum and is strategic and long-term in nature. TAM chooses the underlying funds and weights to match the objectives of each Asset Allocation Fund. Within the broad equity and fixed-income categories, funds are included in an attempt to achieve an optimal balance between risk and return potential, with the goal of providing a diversified portfolio of investments. With regard to equities, exposures to investment style (value vs. growth), capitalization (small vs. large) and regions (domestic vs. foreign) are considered, while for fixed-income, sectors (high yield vs. high quality) and maturity (short-term vs. intermediate term) are considered, among other factors. Exposures are evaluated relative to benchmarks, common asset allocation practice, and long-term return and risk expectations.

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

When acting as a manager of managers, TAM provides investment management services that include, without limitation, selection, proactive oversight and monitoring of sub-advisers, daily monitoring of the sub-advisers' buying and selling or

securities for the Funds and regular review of sub-adviser performance and adherence to investment style and process. For discussion of the reviews conducted by TAM as a manager of manager, please see the discussion under “Methods of Analysis, Investment Strategies and Risk of Loss - Fund Complex.”

### ***Collective Trust***

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

## **Client Referrals and Other Compensation**

### ***The Fund Complex***

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

Certain of the Funds have adopted a distribution plan under Rule 12b-1 of the 1940 Act pursuant to which payments may be made in connection with the offering or sale of shares of such investment companies. TAM will benefit indirectly from the sale of shares, as its fees for services to the Funds are based on a percentage of assets under management. These 12b-1 fees may be used to make payments to Funds’ distributor and to broker-dealers, financial institutions, or other financial intermediaries as compensation for the sale of Fund shares, and to make payments for advertising, marketing, or other promotional activity, and for providing personal service or the maintenance of shareholder accounts.

### ***UCITS/Sub-Fund***

As discussed under “Fees and Compensation” above, TAM, TCI, the Sub-Fund’s principal distributor, and their affiliates may pay a portion of their fees or other assets to third-party entities (in particular advisers, sub-distributors and service providers) that assist TAM or TCI in the performance of their duties (including in connection with the sale of shares of the Sub-Fund) or provide services, directly or indirectly, to the Sub-Fund or its investors. In return for these payments, the Sub-Fund may receive certain marketing or servicing advantages including, without limitation, providing “shelf space” for the placement of the Sub-Fund as investment options to a financial intermediary’s clients, and granting access to sales personnel of the intermediary. The fees of TCI, as principal distributor, are borne by TAM, unless otherwise provided for in the relevant offering document for the Sub-Fund. Additionally, TAM may, at its discretion, contribute from its own assets towards the expenses attributable to the establishment and/or operation of AEGON Global Funds (or the Sub-Fund) and/or the marketing, distribution and/or sale of shares of the Sub-Fund. TAM may, from time to time, waive any or all of its fees with respect to certain share classes of the Sub-Fund or use part of its advisory fee to remunerate certain financial intermediaries.

### ***Collective Trust***

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

### ***Investment Scorecard Program***

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

## **Custody**

### ***The Fund Complex***

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

### ***UCITS/ Sub-Fund***

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

### ***Collective Trust***

State Street Bank and Trust Company serves as custodian to the Collective Trust. Even though a qualified custodian serves as custodian, TAM is deemed to have custody of the Collective Trust since the trustee of the Collective Trust, MFTC, is a "related person" (as defined in Rule 206(4)-2 (the "**Custody Rule**") under the Advisers Act) of TAM. With respect to the Collective Trust, TAM relies on the audit exemption provided under the Custody Rule. The Collective Trust is subject to an annual audit and audited financial statements are obtained and delivered to eligible investors in compliance with the Custody Rule.

### ***Liquidating Trusts***

TAM has custody of assets of two liquidating trusts, created to complete the liquidation of two mutual funds that were managed by TAM, by virtue of serving as trustee of those liquidating trusts.

### **Investment Discretion**

Please see the description of advisory services rendered by TAM under "Advisory Business" above.

### **Voting Client Securities**

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

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

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

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

### **Financial Information**

TAM is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.

### **Requirements for State-Registered Advisers**

This item is not applicable to TAM.