

# TRANSAMERICA FINANCIAL ADVISORS, INC.

FORM ADV PART 2A, APPENDIX 1 TFA Elite

Wealth Series PLATFORM BROCHURE

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*This Form ADV Part 2A – Appendix 1 (“Wrap Fee Brochure”) provides information about the qualifications and business practices of Transamerica Financial Advisors, Inc. (“TFA”) as they relate to the TFA Elite Wealth Series Platform. If you have any questions about the contents of this Brochure, please contact us at (727) 299-1800 extension 123-2080. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.*

*Additional information about TFA is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (Select “Firm” and type in our firm name).*

TFA is a registered investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

## ITEM 2 – MATERIAL CHANGES

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No material changes have occurred since the firm's last annual brochure update on March 31, 2022.

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

If you would like a copy of this Disclosure Brochure, you may download it from the SEC's public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), download it at [www.tfaconnect.com](http://www.tfaconnect.com), or contact us at 727-299-1800 **extension 123-2080**.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

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### THE COMPANY

Transamerica Financial Advisors, Inc. (“we/our/us/TFA”) is a registered investment advisor registered with the SEC since 1991.

TFA is also a broker-dealer and has been a member of the Financial Industry Regulatory Authority (FINRA) since 1984 and member Municipal Securities Rulemaking Board (MSRB). This enables us to offer a wide range of financial products to our clients such as variable annuities, mutual funds and other financial products. Some of our advisory programs require our financial advisors to act as broker-dealer representatives as well. TFA’s core mission is providing life insurance, employer retirement solutions, and advisory and asset management services.

TFA is directly owned by AUSA Holding, LLC, Commonwealth General Corporation, and AEGON Asset Management Services, Inc., which are indirect, wholly owned subsidiaries of the ultimate parent, AEGON N.V., a publicly traded company listed on the New York Stock Exchange (NYSE) and trading under the symbol AEG.

### SERVICES

TFA offers various types of advisory services and programs, including wrap fee programs, third-party money management programs, and employer retirement services. TFA’s advisory services are made available to clients through individuals registered with TFA as investment advisor representatives (“Advisors”). Please refer to TFA’s current Form ADV Part 2A for information regarding these services. The information in this Wrap Fee Brochure pertains to the TFA Elite Wealth Series Platform (“TFA Elite”) only. TFA does not provide legal, tax, or accounting advice.

TFA Advisors can offer you advisory services other than TFA Elite as described in this brochure. Advisors have access to third-party money managers who manage model portfolios on behalf of clients. Additionally, Advisors can refer you to various third-party providers that offer certain administrative services relating to employee benefit plans. TFA Advisors have access to Transamerica® ONE which is a wrap fee program that offers clients access to fee-based investment management. TFA also manages Transamerica® Strategy Solutions which is a suite of risk-based allocations to strategies in the Transamerica® One platform. There are five allocations, one for each of the five risk categories. TFA Advisors also have access to Transamerica® ALPHA which is a digital advice program under which clients receive investment portfolio recommendations and discretionary investment management of the assets held in their accounts. For more detailed information about these programs, your Advisor can provide you with a copy of TFA’s Form ADV Part 2A or you can access the form directly by visiting our public website at [www.tfaconnect.com](http://www.tfaconnect.com).

At the time TFA offers you our advisory services, our Advisor conducts an interview with you to determine your financial needs and objectives. The Advisor will analyze your current financial situation, investment goals, and present strategies. The Advisor will then

provide recommendations to you based on the Advisor's analysis. The Advisors do not provide legal, tax or accounting advice. If your Advisor determines that your stated investment objectives are best met by investing in a TFA Elite 365 program, your Advisor will recommend that you open an account within the TFA Elite Wealth Series Platform ("TFA Elite").

Your Advisor will also explain any special instructions for the management of the assets in a TFA Elite account; the investment management process, investment objectives, and the investment strategies undertaken as part of the service; review and assist you in completing the electronic and/or written materials required to open the account; monitor reports, statements and performance results; monitor your ongoing needs and financial situation; and answer questions about the service. Your Advisor will meet with you, at least annually, to review your stated investment objectives and goals to assess whether a TFA Elite account is still suitable for you given your then current investment objectives.

TFA Elite is available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. TFA has entered into an agreement with Fidelity Institutional Wealth Adviser LLC ("FIWA"), whereby TFA will administer and sponsor TFA Elite using the Fidelity Managed Account Xchange<sup>SM</sup> managed account platform (the "FMAX Platform" or "FMAX").

Fidelity Institutional Wealth Adviser LLC ("FIWA") is a registered investment adviser and an "indirect, wholly owned subsidiary of FMR LLC (collectively with FIWA and its affiliates, "Fidelity Investments," "Fidelity," "us," or "we"). FIWA was formed in 2016.

FIWA does not maintain custody for your assets in connection with the services it provides to the TFA Elite program. NFS, a registered broker-dealer and affiliate of FIWA, has custody of assets on the FMAX Platform and performs certain services for the benefit of TFA clients, including the implementation of trading instructions, as well as custodial and related services.

TFA Elite provides TFA Advisors with three types of programs to use with their clients: the TFA Elite 365 Strategist Program, the TFA Elite 365 Separately Managed Account Program, and the TFA Elite 365 Unified Portfolio Program (together, the "Programs" and individually a "Program").

For all programs offered through TFA Elite, Advisors will compile pertinent financial and demographic information to develop an investment program that will meet the client's investment goals and objectives. Utilizing the FMAX Platform tools, Advisors will allocate the client's assets among the different options in the program selected and determine the appropriateness of the asset allocation and investment options for the client, based on the client's stated investment objectives, investment time horizon, risk tolerance and any other pertinent factors. Advisors will review with clients, at least annually, whether any of the above noted information has changed and update investments if warranted. While client information is considered confidential, it will be provided to Fidelity as required to open and maintain the account, as described in our Privacy Policy.

FIWA has retained Envestnet Asset Management, Inc. (“EAM”), an unaffiliated investment adviser, to provide model implementation, overlay management, and other administrative duties. EAM has discretionary authority over your accounts and is responsible for the implementation of Models received from Model Providers in your accounts. EAM also provides overlay management services (together with model implementation this function is referred to as “Implementation Manager”). The Implementation Manager does not have discretionary management authority over any Fidelity Separate Account Program where you select a Discretionary Strategy. Please refer to the current Fidelity Institutional Wealth Adviser LLC (“FIWA”) Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional details. At its discretion in the future, FIWA may utilize other affiliated or unaffiliated investment advisers to act in the role of Implementation Manager. Additional information about FIWA is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

EAM will liquidate securities that are transferred in-kind into a clients’ account typically upon receipt. The Implementation Manager has the authority to liquidate such assets, and absent special circumstances or direction from TFA, Implementation Manager will treat the transfer of securities into the account as an instruction to liquidate the securities at a market price. Clients should thus be aware that if they transfer in-kind assets into an account, EAM will liquidate such assets immediately or at a future point in time unless explicit special instructions are received from you the client prior to funding. In certain circumstances, clients will have a taxable event when the Implementation Manager liquidates such assets. Accordingly, clients should consult with their TFA Advisor and seek tax advice from their tax consultant before transferring in-kind assets into a TFA Elite account. TFA Advisors do not provide tax advice.

Clients may, impose reasonable investment restrictions on the management of their Accounts. If a requested investment restriction is deemed to be unreasonable, or if we determine that a previous restriction has become unreasonable, TFA will notify the client that, unless the instructions are modified, TFA may reject or terminate the client relationship at its discretion and upon notification to the client pursuant to the notification terms in the applicable Advisory Brochure and this Appendix.

The model portfolios available on TFA Elite offer various types of investment alternatives that vary in terms of strategies and investment style and are dependent upon the model portfolio selected. Types of investments used can consist of, but are not necessarily limited to, individual stocks, mutual funds, and exchange traded products. For a complete listing of the securities that may be used in your model portfolio, please consult the Fidelity Institutional Wealth Adviser LLC (“FIWA”) Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional details or the Model Manager’s Form ADV Part 2A or other Disclosure Brochure(s).

Unless a client provides instructions to TFA regarding dividends, any cash dividends received from individual equities will not be reinvested and any cash dividends received from other underlying investments will be reinvested back into the underlying investment. Clients should consult with their tax professional regarding the tax treatment for any

dividends received.

Depending on your elections, you will either receive trade-by-trade confirmations from NFS for any transactions in your account or quarterly trade confirmations; however, with respect to automatic investments, automatic withdrawals, dividend reinvestments, and transactions that involve the core Fidelity money market fund, a client's account statement serves in lieu of a confirmation. In addition, clients will receive statements from NFS at least quarterly that detail all holdings and transaction information, including trades, additions, withdrawals, shifts in investment allocations, fees, and estimated gain/loss and tax basis information. Statements and confirmations are also available online at Fidelity.com or Wealthscape<sup>SM</sup> and by enrolling in electronic delivery. You should carefully review all statements and other communications in connection with your accounts upon receipt and raise any issues related to the same immediately. If you wish to receive paper statements, contact your TFA Advisor.

When you open a TFA Elite account, you are responsible for directing the manner in which proxies for the securities held in your account are voted. TFA and its advisors do not vote proxies on behalf of our clients. Through FMAX, you can elect to either directly perform proxy voting or delegate proxy voting, as applicable, to either the Implementation Manager or the discretionary Investment Manager to whom you have allocated your assets. If delegated by the you, the Implementation Manager or discretionary Investment Manager, as applicable, shall be responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on your behalf. You should review the proxy voting policies and procedures as described in the Fidelity Institutional Wealth Adviser LLC ("FIWA") Form ADV Part 2A titled Fidelity Managed Account Xchange® and the discretionary Investment Manager's Form ADV Part 2A as applicable.

Your account may also be subject to certain Service Fees separate from the advisory fee that you pay. Refer to the following section on Fees and Compensation for more information.

## **FEES AND COMPENSATION**

You will pay a Total Annual Advisory Fee ("Total Fee") as outlined in the TFA Elite Fee Schedule below. The Total Fee is comprised of your Advisor's fee, a Platform Fee, and a separate Model Portfolio Management Fee, where applicable. This compensation may be more than what your Advisor would receive if you participated in our other programs or paid separately for investment advice, brokerage services, or other services. Therefore, your Advisor may have a financial incentive to recommend this program over other programs or services. Your advisory fees may be higher or lower than what other clients are paying that are participating in TFA Elite.

A portion of your Advisor's allocated investment advisory fee may be waived. Additionally, the Total Fee is paid monthly in advance. The applicable Total Fee will be determined based on the amount of assets held in your account established in TFA Elite. The Total Fee is based upon the amount of assets held in each separate account. You may qualify to take advantage of reduced advisory fees, through a multi-account discount. In general, the value

of additional qualifying accounts, accounts for your immediate dependents and spouse could be aggregated to achieve a lower advisory fee. Please consult with your TFA Advisor regarding any questions you may have about your eligibility. Accounts may not be considered for a multi-account discount unless invested in the same TFA Elite 365 Program (i.e., TFA Elite 365 Strategist Program, TFA Elite 365 Separately Managed Account Program, or TFA Elite 365 Unified Portfolio Program). All client discounts are considered to be a tailored service and require an assessment and a discussion with your TFA Advisor. These discounts do not lead to any additional compensation received by TFA or your TFA Advisor. Please refer to the fee schedule below. All brokerage, custodial, and administrative costs associated with this program will be clearly noted on your statements. Fidelity will deduct from your account its own fees and will also, at the direction of TFA, deduct from your account fees related to TFA Elite. Fidelity will be responsible for paying each Model Manager the appropriate fee for their participation in the FMAX Platform.

***TFA Elite Wealth Series Platform Annual Fee Schedule***

<b>Range of Assets*</b>	<b>Investment Advisor Rep Fee**</b>	<b>Platform Fee***</b>	<b>Model Portfolio Management Fee****</b>	<b>Total Annual Advisory Fee*****</b>
\$0 - \$250,000	1.10%	0.50%	0.00% to 01.00%	1.60% - 2.60%
\$250,001 - \$500,000	1.00%	0.35%	0.00% to 01.00%	1.35% - 2.35%
\$500,001 - \$1,000,000	0.90%	0.25%	0.00% to 01.00%	1.15% - 2.15%
\$1,000,001 - \$2,000,000	0.80%	0.20%	0.00% to 01.00%	1.00% - 2.00%
\$2,000,001 - \$5,000,000	0.70%	0.15%	0.00% to 01.00%	0.85% - 1.85%
\$5,000,001+	0.70%	0.13%	0.00% to 01.00%	0.83% - 1.83%

\* *The initial minimum account size for TFA Elite accounts differ by program (please see below):*

- *TFA Elite 365 Strategist Program (Minimum - \$25,000)*
- *TFA Elite 365 Separately Managed Account Program (Minimum - \$75,000)*
- *TFA Elite 365 Unified Portfolio Program (Minimum - \$150,000)*

\*\* *This fee can be negotiated with your Advisor.*

\*\*\* *TFA receives a portion of the Platform Fee as the TFA Elite program sponsor, and the remainder of the Platform Fee is retained by Fidelity for FMAX Platform Fees.*

\*\*\*\* *Fees are expressed as an annual percentage of assets under management. All Model Portfolio Management Fees are paid to the third-party model managers. These fees are subject to change at the*



*discretion of the model manager. Based upon the investments you selected, you should refer to the applicable model managers Form ADV Part 2A or other disclosure documents for more information.*

*\*\*\*\*\* Fees are expressed as an annual percentage of assets under management. The Total Fee to the client is dependent on the model portfolio(s) selected. FIWA shall retain the amounts due FIWA in connection with the Program and shall disburse the remainder of the Fee to TFA and/or to any applicable FIWA affiliate in accordance with their instructions. FIWA, as agent for You, shall retain or distribute to Investment Managers, Implementation Manager, and any third-party service providers any amounts due such parties in connection with the FMAX Platform. Client may also incur certain charges imposed by third parties other than TFA and TFA Advisor in connection with investments made through client's Account, including, without limitation, the following types of charges dealer markups, markdowns, or spreads charged on transactions in over-the-counter securities; the internal charges and fees that may be imposed by any Funds (such as fund operating expenses, management fees, redemption fees, 12b-1 fees, and other fees and expenses; further information regarding charges and fees assessed by Funds may be found in the appropriate prospectus) or other regulatory fees; brokerage commissions or other charges imposed by broker-dealers or entities other than FIWA's affiliated broker-dealers if and when trades are executed by another broker-dealer; postage and handling charges, returned check charges, transfer taxes, stock exchange fees, or other fees mandated by law; ACAT transfer, electronic fund and wire transfer charges; individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan annual account fees and annual and termination fees for retirement accounts (such as IRAs); any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the FMAX Platform.*

*In addition to the redemption fees described above, client's may incur redemption fees when TFA, Implementation Manager or Investment Manager to an investment strategy determines that it is in your overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Funds prior to the expiration of the minimum holding period of the Funds. Some mutual funds also assess redemption fees to clients upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees. To the extent that such fees are incurred, they are borne by you the client.*

*If there is insufficient cash in the account(s) at the time the applicable Fee is to be debited from the account(s), TFA, Implementation Manager or Discretionary Investment Managers may sell an amount of Program Assets to generate sufficient cash to pay the applicable Fee. This may create a taxable gain or tax loss for you the client. Please refer to the current Fidelity Institutional Wealth Adviser LLC ("FIWA") Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional details related to Fees you may incur.*

*The cost of investment advisory services provided through TFA Elite may be more or less than the cost of purchasing similar services separately.*

*For TFA Elite accounts that fall below the applicable Program account minimum, a minimum annual account fee will apply to the total client fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts but are determined and assessed based on the account asset value at the end of each month. For example, if an account has a \$150 minimum annual account Program Fee, it will be assessed a minimum of \$12.50 every month based on the average daily balance of the account during the previous calendar month. Therefore, if a client has large asset inflows or outflows during the year that cross the minimum asset value threshold, it is possible for an account to be*

*assessed a minimum fee for a particular month even if at the end of the year a look back over the account's average balance for the entire year would have placed it above the minimum asset value threshold.*

*The following TFA Elite Program account minimums and minimum annual account fees are specified below:*

- *TFA Elite 365 Strategist Program (Account Minimum - \$25,000): \$35 Minimum Annual Account Fee*
- *TFA Elite 365 Separately Managed Account Program (Account Minimum - \$75,000): \$150 Minimum Annual Account Fee*
- *TFA Elite 365 Unified Portfolio Program (Account Minimum - \$150,000): \$200 Minimum Annual Account Fee*

Assets under management is the total value of the assets in the account. The Platform fees will be charged whether the assets are held in securities or other instruments or whether they are held in cash or cash equivalents.

### **Changes in Fees**

TFA, upon 30 days prior notice to clients, may revise the advisory fee or other miscellaneous fees, including in a way that may cause the fees paid by the client to increase. A client will be deemed to have approved a fee change unless he or she objects to the fee change by sending written notice to TFA within 30 days from the date of the fee increase notification. TFA further reserves the right to negotiate, discount or waive any fees associated with an advisory program in general or payable by any client or group of clients at our sole discretion. Furthermore, TFA employees and employees of affiliates may be entitled to fee discounts by virtue of their employment.

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

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TFA provides advisory services to individuals, employer retirement plans, corporations or other businesses, trusts, estates, and charitable organizations.

TFA has established conditions for opening accounts in TFA Elite. Specifically, advisory clients must complete an Investor Profile. This form will provide us with information such as name, address, date of birth and other information used to identify you. TFA may use third-party sources to verify and/or update the information provided and may also request to see your driver's license or other identifying documents. TFA will impose an initial minimum account size and will have a client advisory agreement for you to review carefully and agree to the conditions.

The initial minimum account size for TFA Elite accounts differ by program. Please refer to each program below for specific information related to account minimums.

TFA Elite provides TFA Advisors with three types of programs to use with their clients: the TFA Elite 365 Strategist Program, the TFA Elite 365 Separately Managed Account Program,

and the TFA Elite 365 Unified Portfolio Program (together, the “Programs” and individually a “Program”).

### TFA Elite Programs

#### TFA Elite Strategist Program (Minimum - \$25,000)

Turnkey asset allocation portfolios using mutual funds and exchange traded funds. Fund Strategist Portfolios (“FSPs”) can provide Advisors access to investment strategists who construct distinct portfolio solutions to help meet the ever-increasing demands of today’s investors. FSP solutions espouse various approaches to portfolio construction and asset allocation: whereas most FSP portfolios employ a long-term, strategic asset allocation approach, others take a dynamic or tactical approach and actively shift allocations to take advantage of short-term market movements.

#### TFA Elite 365 Separately Managed Account Program (Minimum - \$75,000)

Access to institutional asset managers who implement a single asset class strategy utilizing individual securities and/or mutual funds. A Separately Managed Account (“SMA”) can refer to several different types of investment accounts managed by third-party or independent investment management firms. There are no official designations for an SMA as there are with mutual funds, or exchange-traded funds, but the term is used to define customized investment portfolios that are built to meet a client’s needs and objectives.

#### TFA Elite 365 Unified Portfolio Program (Minimum - \$150,000)

Single account that offers the greatest degree of customization, allowing the ability to combine multiple SMAs and FSPs. A Unified Managed Account (“UMA”) offers a diversified, tax-aware, multi-asset portfolio in a single account whose contents are designed to meet clients’ specific investment needs.

For the UMA Program, the TFA Advisor in conjunction with the client will select the frequency client accounts will be rebalanced (quarterly, semi-annually, or annually). Rebalancing is the process of restoring a portfolio to its original risk profile. Clients should discuss the frequency and preferred rebalancing timing with their TFA Advisor.

For UMA portfolio updates or changes submitted by TFA to FIWA via the FMAX Platform before 1:00 p.m. Eastern Standard Time, FIWA shall rebalance on the same business day. For Model updates or changes submitted by TFA after 1:00 p.m. Eastern Standard Time, FIWA shall use commercially reasonable efforts to rebalance on the same business day. Notwithstanding the foregoing, certain rebalance instructions may take more than one business day to implement because of security liquidity constraints, the fund company order processing capacity, market conditions or other client account specific conditions including, but not limited to, reconciliation breaks, trade restrictions or constraints, and if the account is otherwise “not in good order.”

Please refer to the Fidelity Institutional Wealth Adviser LLC (“FIWA”) Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional information related to these

programs.

Multiple accounts may be established for a client based upon the number of Programs selected with each account using the same registration and Social Security number of the client. As a result, a client will receive multiple statements, I.R.S. Form 1099 and other tax information, and any other legally required information.

## ITEM 6 – MODEL MANAGER SELECTION AND EVALUATION

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### **Investment Strategy, Fund Research and Due Diligence**

FIWA maintains fundamental and quantitative investment manager research teams to perform the investment due diligence for the FMAX Platform. FMAX provides investment research and due diligence on Fund Strategists and SMAs using four categories of investment research ratings: Available, Meets-Quantitative, Meets-Qualitative, and Preferred. For the Fund Strategists and SMAs categorized as Available, FIWA has either not reviewed the investment merits of the Fund Strategist or SMA or the Fund Strategist or SMA did not pass the review criteria to be rated Meets-Quantitative, Meets-Qualitative, or Preferred. Please refer to the Fidelity Institutional Wealth Adviser LLC (“FIWA”) Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional information related to this process.

The TFA Elite Programs only offer Fund Strategists and SMAs that are rated as Meets-Quantitative, Meets-Qualitative, and Preferred. Fund Strategists and SMAs that are rated as Available are not offered as part of the TFA Elite Programs.

The methods of analysis, sources of information and investment strategies used by Model Managers offered through TFA Elite Programs will vary among managers. TFA encourages you to read each Model Manager’s Disclosure Brochure, Form ADV Part 2A prior to selecting a Model Manager in TFA Elite.

On a regular basis and at least semi-annually, TFA’s Advisory Services Team will monitor and review the performance results of each model portfolio. If a model portfolio is underperforming for an extended time, the Advisory Services Team will consult with Fidelity to identify the cause of the underperformance. The Advisory Services Team and the Investment Committee will decide if removal of a particular model portfolio or Model Manager from TFA Elite is warranted.

## ITEM 7 – CLIENT INFORMATION

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Your Advisor will assist you in completing your risk tolerance questionnaire within the TFA Elite Platform to obtain a risk score to assist in determining a suitable selection of one or more model portfolios.

The selection of your model portfolio(s) will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your TFA Advisor will

gather the following information (not meant to be an exhaustive list) to assist in this selection:

- Income
- Age
- Number of Dependents
- Employment Status
- Marital Status
- Tax Bracket
- Net Worth
- Risk Tolerance
- Investment Objective
- Investment Experience

Your information will be retained by TFA for us to continue to ensure that model portfolios used in your TFA Elite account are appropriate for your risk tolerance. Your information is not provided to the Model Managers.

## ITEM 8 – CLIENT CONTACT WITH MODEL MANAGERS

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Generally, you will not have any direct contact or consultation with your Model Manager.

## ITEM 9 – ADDITIONAL INFORMATION

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All investments in securities include a risk of loss of your principal. Stock markets and bond markets fluctuate over time and clients may lose money. You should be prepared to lose money in an investment account offered through TFA. Investments are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. You may lose money by investing in investment products.

Each investment strategy offered by the advisory programs offered by TFA pose risks, and many factors affect each investment or account's performance.

Investments or accounts are also subject to volatility in non-U.S. markets through either direct exposure or indirect effects in the U.S. markets from events abroad. Investments or accounts that seek exposure to debt are subject to risks of prepayment or default, and model portfolios that concentrate in particular industries or are otherwise subject to particular segments of the market may be significantly impacted by events affecting those industries or markets. In addition, the investments in your advisory account may be subject to the following specific risks:

**Investing in Mutual Funds and ETPs:** Your account bears all the risk of the investment strategies employed by the mutual funds and ETFs held in your account, including the risk that a mutual fund or ETF will not meet its investment objectives. For the specific risks associated with a mutual fund or ETF, please see its prospectus.

**Investing in Exchange Traded Notes:** ETNs are unsecured debt obligations of the issuer (often a bank). As such, ETN holders are directly exposed to the issuer's credit or default risk.

**Reliance on Technology; Cybersecurity:** Certain TFA investment activities and investment strategies are dependent upon algorithms, as well as other various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities of TFA on behalf of its clients, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash," fire or water damage, human errors in using or accessing relevant systems, unauthorized system access or use (e.g., "hacking"), computer viruses, or various other events or circumstances. It is not possible to provide fool-proof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on TFA's clients, including preventing Fidelity and/or EAM from trading, modifying, liquidating, and/or monitoring its clients' investments. In addition, clients should be aware of the risk of attempted cyber-attacks and harm to technology infrastructure and data from misappropriation or corruption.

With respect to the TFA Elite Platform, due to TFA's, Fidelity's and EAM's interconnectivity with third party vendors, central agents, exchanges, clearing houses, and other financial institutions, TFA, Fidelity and EAM could be adversely impacted if any of them is subject to a cyber-attack or other information security event. Although TFA, Fidelity and EAM take proactive measures and endeavors to modify them as circumstances warrant, their computer systems, software, and networks may be vulnerable to unauthorized access, issues, computer viruses or other malicious code, and other events that could have a security impact.

**Investment Risk:** Every mutual fund and ETF is run by a manager who is making decisions on which stocks and bonds to buy and sell. These securities can lose money causing the mutual fund or ETF to lose money.

**Operation Risk:** Every ETF and fund is an investment company that is run by an advisor and a board of directors that is responsible for managing the funds operations and following the laws and regulations relevant to ETFs and mutual funds. The managers of the fund company may commit fraud, malfeasance, or simply make bad decisions that result in higher expenses for the funds investors, mistaken calculations of the fund's true value, and losses of fund assets.

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market value to decline, and vice versa.

**Market Risk:** The price of investments in your advisory account may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events. Economies and financial markets throughout the world are increasingly interconnected. Economic, financial, or political events, trading and tariff arrangements, terrorism, pandemics, technology and data interruptions, natural disasters and other circumstances in one country or region could be highly disruptive to, and have profound impacts on, global economies or markets. During periods of market disruption, the underlying investments exposure to the risks described else wherein this section will likely increase. As a result, whether the underlying investments are in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the underlying investments may be negatively affected. Also, liquidity of investments, or even an entire market segment, can deteriorate rapidly, particularly during times of market turmoil, and those investments may be difficult or impossible to trade.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Currency Risk:** Overseas investments can be subject to fluctuations in the value of the investment in U.S. dollars, which are due to fluctuations in the currency of the investment's originating country.

**Reinvestment Risk:** This is the risk that future proceeds from investments may be reinvested at a potentially lower rate of return (i.e., interest rate).

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry.

**Financial Risk:** Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value.

**Fixed Income Risk:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change in an issuer's individual situation or industry, or events in the financial markets.

**Credit Risk:** Changes in financial condition of an issuer or counterparty, and changes in specific economic or political conditions that affect a particular type of security or issuer, can increase the risk of default by an issuer or counterparty, which can affect a securities or instrument's credit quality or value. Lower quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit

quality of the issuer.

**Foreign Risk:** Foreign securities are subject to interest rate, currency exchange rate, economic, regulatory, and political risks, all of which may be greater in emerging markets. These risks are particularly significant for securities that focus on a single country, region, or emerging markets. Foreign markets may be more volatile than U.S. markets and can perform differently from the U.S. market. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile. Foreign exchange rates may also be extremely volatile.

**Tax Risk:** Securities in the investment strategy may be bought and sold without regard to a client's individual tax ramifications, and so portfolio turnover could cause the client to incur tax obligations that negatively affect the after-tax return.

**Tactical Asset Allocation Risk:** Tactical asset allocation is an investment strategy that actively adjusts a strategy's asset allocation. A strategy's tactical asset management discipline may not work as intended. A strategy may not achieve its objective and may not perform as well as other strategies 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 strategy's having exposure to asset classes, countries or regions, or industries or groups of industries that underperform other management styles. In addition, a strategy'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.

### **Disciplinary Information**

TFA is both a broker-dealer and a registered investment adviser. In the last ten years, TFA has had six disciplinary events that are material to your evaluation of us. Three of the events involve charges brought by the Securities and Exchange Commission ("SEC"). Three of the events involve charges brought by our self-regulatory organization, Financial Industry Regulatory Authority, Inc. ("FINRA").

### **SEC Proceedings**

- On March 11, 2019, the Securities and Exchange Commission ("SEC") signed an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order") relating to TFA's disclosure of its mutual fund share class selection practices and the 12b-1 fees TFA and its associated persons received. Specifically, the SEC alleged that TFA failed to



adequately disclose in its Form ADV or elsewhere the conflicts of interest related to a) its receipt of 12b-1 fees and/or b) its selection of mutual funds share classes that pay such fees. TFA self-reported this matter to the SEC pursuant to the SEC Division of Enforcement's Share Class Selection Disclosure Initiative.

TFA has settled this matter with the SEC. TFA agreed to a censure, to pay disgorgement of \$5,364,292.04 plus \$658,780.64 in interest, and to cease and desist from violating certain securities laws and regulations. The disgorgement and interest will be paid to a Distribution Fund ("Fund") for eventual distribution to investors who purchased or held 12b-1 fee paying share class mutual funds in advisory accounts when a lower-cost share class of the same fund was available to the client. The Order states that these investors are to receive from the Fund the 12b-1 fees attributable to the investor during the relevant period, plus interest, subject to a *de minimis* threshold.

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

- On August 27, 2018, the Securities and Exchange Commission ("SEC") instituted a settled public administrative Cease-and-Desist proceeding naming TFA and certain of its affiliates ("Order"). As to TFA, the Order relates to, among other things, errors in certain models used by TFA in its Transamerica I-Series® and Transamerica® ONE programs. The Order also states that the parties failed to make appropriate disclosures regarding these matters. In addition, the Order states that the parties failed to have adequate policies and procedures. The models at issue in the case were managed by an affiliate, AEGON USA Investment Management, LLC ("AUIM") and by F-Squared Investments, Inc. ("F-Squared"). The models managed by AUIM were the Global Tactical Allocation – Conservative, Global Tactical Allocation– Balanced, Global Tactical Allocation – Growth, Tactical Fixed Income, Global Tactical Income and Global Tactical Rotation models. The models managed by F-Squared were the AlphaSector Rotation Index, AlphaSector Premium Index and World Allocator Premium Index. These strategies are no longer offered by TFA and neither AUIM nor F-Squared currently provide model management services to TFA. The strategies developed by AUIM and F-Squared were offered by TFA in the Transamerica I-Series® and Transamerica® ONE programs between 2011 and 2015.

TFA has settled this matter with the SEC. TFA agreed to a censure, to pay a penalty of \$800,000, to pay disgorgement of \$1.7 million plus \$258,162 in pre-judgment interest, and to cease and desist from violating certain securities laws and regulations. The disgorgement, interest and penalties have been paid to a Fair Fund ("Fund") for eventual distribution to affected investors who purchased or held an interest in the AUIM and F-Squared strategies in the Transamerica I-Series® and Transamerica® ONE programs from July 2011 through June 2015. The Order states that these investors are to receive from the Fund an amount related to the pro rata fees and commissions paid by them during that period, plus interest, subject to a *de minimis* threshold.

In accepting the settlement, the SEC considered the substantial cooperation and the

remedial efforts of TFA and its named affiliates. In the Order, the SEC acknowledged that, after the start of the SEC staff's investigation but before the settlement, TFA and the named affiliates had voluntarily retained a compliance consultant to conduct a comprehensive independent review of certain compliance policies and procedures, internal controls and related procedures, and that the consultant's written findings had been received and proposed changes implemented. The SEC also acknowledged that, in advance of receiving recommendations from the independent compliance consultant, TFA and its affiliates had already begun making revisions and improvements to their compliance policies and procedures. The SEC also considered that TFA and its affiliates have retained the independent compliance consultant for further reviews.

The settlement does not impose any restrictions on the business of TFA.

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

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

### **FINRA Proceedings**

- On December 21, 2020, FINRA accepted our Letter of Acceptance, Waiver and Consent in which TFA proposed a settlement of alleged FINRA rule violations. TFA consented to the sanctions and to the entry of findings that it failed to reasonably supervise its representatives' recommendations of three different products – variable annuities, mutual funds and 529 Plans. TFA was censured, fined \$4,400,00 and required to pay \$4,354,160 in restitution to customers.

A copy of this Order is available on FINRA's website at <https://www.finra.org/rules-guidance/oversight-enforcement/finra-disciplinary-actions-online>.

- On July 27, 2015, FINRA accepted our Letter of Acceptance, Waiver, and Consent in which TFA proposed a settlement of alleged FINRA rule violations. TFA agreed to a censure and fine of \$85,000 and paid restitution to impacted Clients in the amount of \$51,066.08 (plus interest). This matter pertained to the broker-dealer failing to identify and apply volume discounts to certain Clients' eligible purchases of non-traded real estate investment trusts (REITs) and business development companies (BDCs),

resulting in customers paying excessive sales charges of approximately \$51,000. Also, the broker-dealer failed to establish, maintain, and enforce a supervisory system and written supervisory procedures with respect to the sale of non-traded REITs and BDCs.

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

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

TFA is also a broker-dealer. In general, TFA's Advisors, management team, and most of TFA's Investment Committee members are Registered Representatives of TFA's broker-dealer. The majority of TFA's Advisors are also affiliated with World Financial Group Inc., a financial services marketing company that is affiliated with TFA.

TFA is a member of the Transamerica Group of companies. These companies include investment companies that offer mutual funds and fixed and variable insurance products. Many of these products can be purchased by the various TPMs or Model Managers available in TFA's programs. Based on TFA's affiliation with various investment companies and variable insurance companies, a conflict of interest exists due to the compensation paid to TFA by these companies and compensation gained by our affiliates through fees and expenses charged to you on their products. This compensation is in addition to the advisory fees you pay to TFA. TFA resolves this conflict by monitoring the appropriateness of the recommendations made to you by TFA's Advisors on all products you purchase including those products issued by TFA's affiliates.

TFA has contracts with third-party money managers and Model Managers (collectively referred to as "Managers") who are also investment advisors that offer fee-based advisory programs. These Managers may or may not be affiliated with TFA. Summit Global Investments, LLC, an unaffiliated third-party money management firm and independent investment adviser registered with the Securities and Exchange Commission, has entered into an agreement with TFA to provide certain investment advisory services to TFA clients. Richard Thawley is registered with one or more of TFA's affiliated insurance companies/agencies with which TFA conducts business. However, Mr. Thawley is not registered with the broker-dealer or investment advisor of TFA. Mr. Thawley is a private investor in Summit Global and will benefit from business referred to Summit Global by TFA Advisors. Mr. Thawley's access to TFA Advisors could lead to certain Advisors being influenced to recommend Summit Global to clients. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase.

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

The following FINRA registered broker-dealers are under common control with TFA. TFA

and each of these other broker-dealers are indirect, wholly owned subsidiaries of AEGON N.V.

- Transamerica Investors Securities Corporation
- Transamerica Capital, Inc.

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

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

TFA has an agreement to sell mutual funds of one of our related investment companies, Transamerica Funds. Through TFA's affiliated insurance companies, we have the ability to offer insurance products which may contain shares of the Transamerica Series Trust and/or Transamerica Partners Funds, both affiliated investment companies. TFA receives compensation from these sales. Such compensation creates a conflict of interest for TFA and its Advisors. TFA resolves this conflict by monitoring the appropriateness of the recommendations made to you by TFA Advisors on all products you purchase including those products issued by our affiliates.

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

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

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

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

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

The following is a list of TFA's affiliated insurance companies/agencies with which TFA

conducts business:

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

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

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

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

Our Code is comprehensive and is distributed to each home office employee and Advisor (collectively "Access Persons") at the time of hire and acknowledged annually thereafter. TFA also supplements the Code with annual training and ongoing monitoring of the activity of Access Persons.

TFA's Code includes the following requirements for TFA Access Persons:

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

TFA has also established the following guidelines for TFA Access Persons:

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

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

### **Review of Accounts**

Review of accounts will be done at least on an annual basis and will be conducted by your TFA Advisor. Your Advisor will undertake reasonable efforts to contact you to discuss your financial situation and investment objectives to determine whether the account continues to meet your investment objectives.

You and your Advisor can access monthly account statements, and trade confirmations from the Fidelity website. If you wish to receive paper statements, you can request those documents for an additional fee .

TFA urges you to carefully review these monthly account statements, and trade confirmations. The information in your TFA Elite performance reports may vary from your custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities. In the event of any discrepancies, you should rely on the statements you receive from Fidelity.

### **Client Referrals and Other Compensation**

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

Each of the TPMMs or other service providers that have marketing and referral arrangements with TFA may attend, contribute to, or sponsor education and training meetings for our Advisors. A TPMM or other service provider may reimburse TFA for up to 100% of the cost of these meetings. These contributions and reimbursements create a

conflict of interest because meeting sponsors have more opportunities to provide Advisors with education on investments, their investment management services, industry trends, and other issues; and because TFA benefits from these contributions and reimbursements. TFA Advisors are permitted to participate in award and incentive programs sponsored by World Financial Group, Inc. in which they could receive trips, promotions or non-cash compensation based on their sales. These events may influence their decision to recommend a particular product to you for consideration. TFA attempts to mitigate this risk by reviewing business submitted by Advisors for potential concerns.

## **VOTING CLIENT SECURITIES (PROXY VOTING)**

When you open a TFA Elite account, you are responsible for directing the manner in which proxies for the securities held in your account are voted. TFA and its advisors do not vote proxies on behalf of our clients. Through FMAX, you can elect to either directly perform proxy voting or delegate proxy voting, as applicable, to either the Implementation Manager or the discretionary Investment Manager to whom you have allocated your assets. If delegated by the you, the Implementation Manager or discretionary Investment Manager, as applicable, shall be responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on your behalf. You should review the proxy voting policies and procedures as described in the Fidelity Institutional Wealth Adviser LLC ("FIWA") Form ADV Part 2A titled Fidelity Managed Account Xchange® and the discretionary Investment Manager's Form ADV Part 2A as applicable.

## **Financial Information**

To the best of TFA's knowledge, we are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

TFA has not been the subject of a bankruptcy petition at any time, including any time during the past ten years.