

## Revenue Sharing Arrangements and Payments By Sponsoring Companies Client Disclosure Statement

### Introduction

Transamerica Financial Advisors, LLC ("TFA") does business through two separate Divisions. One division is headquartered in the company's home office located in Philadelphia, PA, and operates under the name, Transamerica Financial Advisors, LLC without any Division designation. The other Division, based in Johns Creek, GA, operates under the name Transamerica Financial Advisors LLC Transamerica Financial Group Division, ("TFG"). Each Division may have different product and service offerings and different compensation arrangements with product and service sponsors and providers. The information discussed below is a compilation of compensation and revenue sharing arrangements for both Divisions and for TFA as a whole, and except as otherwise provided, reference to "TFA" is intended to refer to both Divisions, including TFG. A summary of the revenue sharing and sponsoring company compensation arrangements and current Sponsoring Company list for TFA and TFG can be found at the Home Page of TFA at [www.tfa.transamerica.com](http://www.tfa.transamerica.com), and the Home Page of TFG website at [www.tfg.transamerica.com](http://www.tfg.transamerica.com), under Revenue Sharing.

### Compensation

(TFA) and its Registered Representatives (RR) and Investment Advisor Representatives (collectively "RRs") are compensated in different ways when selling a mutual fund, or variable insurance product, (collectively referred to as "product"), depending on the amount invested and/or share class purchased. Most mutual funds charge an annual fee associated with operating the fund, and a sales commission or "load," which is paid to TFA and may be charged to you up-front when you purchase the product, annually, or at the back-end when you sell the product. Most variable products assess fees and/or back-end charges which are used to compensate TFA and its RRs. Other load structures also exist, and you should review the fee table located in the product prospectus for a complete discussion of fees and expenses. You should also refer to your copy of the applicable TFA product disclosure that is provided to you at the time you purchase any product through TFA. These overall expenses impact the overall return on your investment.

### Internal Compensation

We also want you to know that TFA has a few unique relationships with a select group of product sponsors ("Sponsoring Companies") that have a variety of performance and investment styles with a broad spectrum of investment choices and services. TFA has chosen to work with these companies because of the array of investment choices and services these companies offer to address the varied needs of our client base and because of their reputations, size, marketing and operational sophistication and level of wholesaling support. TFA receives additional compensation or payments (also known as "revenue sharing") as a result of these relationships. The greater access afforded these companies to work with our RRs provides additional training, educational presentations, and other product support so that each RR may work more effectively to better serve you. Of course, TFA's RRs are not required to recommend any of these particular products to you; however, this greater level of access could influence a RR's product recommendation to you. Certain sponsoring Companies may provide advance commissions to RRs based on the anticipated receipt of insurance premiums. TFA maintains an approved product list that contains a wide variety of mutual fund and variable insurance companies, in addition to the companies included on the Sponsoring Company list. A summary of the revenue sharing and Sponsoring Company compensation arrangements and current Sponsoring Company list for TFA and TFG can be found at the Home Page of TFA at [www.tfa.transamerica.com](http://www.tfa.transamerica.com), and the Home Page of TFG website, [www.tfg.transamerica.com](http://www.tfg.transamerica.com) under Revenue Sharing.

TFA does not provide differential compensation (or higher net payouts) to RRs which are more favorable for investments made in Sponsoring Company products, with the exception of variable universal life insurance products issued by Western Reserve Life Assurance Co. of Ohio ("WRL"), and variable annuity products issued by Transamerica Life Insurance Company, ("Transamerica Life"), affiliated companies, and investments in proprietary investment advisory programs, which have a higher net compensation level. However, additional cash benefits and non-cash compensation or reimbursements may be provided as described below in the section on Revenue Sharing. Also, some mutual funds and variable insurance products carry a higher sales charge than others (resulting in higher gross compensation to TFA), which could influence a RR's

product recommendation to you. The fee table located in the product prospectus should be reviewed for a complete discussion of all fees and expenses.

In addition, TFA's managers and/or RRs who meet certain productivity or assets under management ("AUM") standards may be eligible for additional compensation. Sales of products sponsored by affiliated companies, including Transamerica Life and Western Reserve Life, and AUM levels achieved in TFA proprietary investment advisory programs may help RRs and/or their managers qualify for other benefits, and may provide such persons with special incentive to sell Transamerica Life, Western Reserve Life and/or affiliated company products, services, or programs. For example, TFA's RRs and their managers may be eligible to participate in a voluntary stock purchase plan that permits participants to purchase stock of AEGON N.V. (Transamerica's and Western Reserve's ultimate parent) by allocating a portion of the commissions they earn to purchase such shares. A portion of the contributions of commissions by TFA's RRs may be matched by TFA.

### Revenue Sharing

TFA RRs and/or their managers may receive directly or indirectly additional cash benefits and non-cash compensation or reimbursements from TFA or its affiliates, Sponsoring Companies, or other product issuers, including but not limited to reimbursements for sales and/or public seminar and advertising expenses. Additional compensation or reimbursement arrangements may include payments in connection with TFA's conferences or seminars, sales or training programs for invited RRs and other employees, seminars for the public, trips (such as travel, lodging and meals in connection therewith), entertainment, merchandise and other similar items, and also payments, loans or loan guaranties to assist a RR in connection with systems, operating, marketing or other business expenses. This cash and non-cash compensation may be significant and may provide our affiliates, Sponsoring Companies, or other product issuers with increased access to the RRs.

TFA receives revenue sharing fees based on RRs' overall sales of or AUM relating to investment products issued or services of programs sponsored by Sponsoring Companies. TFA receives such revenue sharing fees in a range of .10% to 2.5% (\$10 to \$250 per \$10,000) of the total value of assets placed by TFA's RRs in products or services offered by Sponsoring Companies, and, for variable life insurance, in a range of 5% to 10% of target premium. TFA negotiates these payments annually with each Sponsoring Company to defray the ongoing costs of training, education, marketing and product support activities. These revenue sharing payments are in addition to the sales charges, annual service fees (commonly referred to as "12b-1 fees"), redemption fees and deferred sales charges, and other fees and expenses disclosed in a mutual fund's or other product's prospectus fee table and the TFA product disclosure checklist. Revenue sharing payments, however, are paid out of the Sponsoring Company's assets. Moreover, no portion of these payments to TFA is made by means of brokerage commissions generated by the mutual fund or other product and no portion of these payments are directed or allocated to RRs. You should refer to the Prospectus and/or Statement of Additional Information (available on request from the product issuer) for a complete discussion on how revenue sharing programs with distributors such as TFA are administered.

TFA also receives due diligence and marketing fees when selling real estate investment trust interests (also known as REITs) and limited partnership interests, depending on the amount invested. These fees are paid from client monies and are fully disclosed in the product prospectus. You should review the product prospectus for a complete discussion of fees and expenses. Some of these product sponsors are also provided greater access to our RRs to provide training, educational presentations and other product support.

### Wholesaling

TFA also receives revenue from Transamerica Funds, an affiliated mutual fund company, for wholesaling activities, support, education, and training.

TFA also receives revenue from Transamerica Life, Western Reserve Life, and certain non-affiliated variable insurance product sponsor for wholesaling activities. These product sponsors are provided access to TFA RRs who may receive additional compensation and incentives for these wholesaling activities