

# TRANSAMERICA FINANCIAL ADVISORS, LLC

FORM ADV PART 2A, APPENDIX 1

TRANSAMERICA<sup>®</sup> ONE WEALTH MANAGEMENT

PLATFORM BROCHURE

February 13, 2025

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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, LLC ("TFA") as they relate to the Transamerica<sup>®</sup> ONE Wealth Management Platform program. If you have any questions about the contents of this Brochure, please contact us at (770) 248-3271. 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 Transamerica Financial Advisors, LLC).***

TFA is a federally 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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TFA has made the following changes to this brochure since the last annual brochure was updated on March 29, 2024:

- TFA is now a wholly owned subsidiary of AUSA Holding, LLC.
- TFA has changed its business structure to be a Limited Liability Corporation versus a C Corporation.
- TFA has redomiciled its headquarters to Philadelphia, PA.
- TFA has changed the name of TFA Elite Program to TFA365 Advisory Program.

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 (770) 248-3271.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

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### **THE COMPANY**

Transamerica Financial Advisors, LLC (“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 offering financial products and services, employer retirement solutions, and life insurance.

TFA is directly owned by AUSA Holding, LLC, which is an indirect, wholly owned subsidiary 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 Transamerica<sup>®</sup> ONE Wealth Management Platform (“Transamerica<sup>®</sup> ONE”) only. TFA does not provide legal, tax, or accounting advice.

TFA Advisors can offer you advisory services other than Transamerica<sup>®</sup> ONE as described in this brochure. Advisors have access to third-party money managers who manage model portfolios on behalf of clients. Additionally, TFA Advisors can refer you to various third- party providers that offer certain administrative services relating to employee benefit plans. TFA Advisors have access to TFA365 Wealth Advisory Program which is a wrap fee program that offers various types of investment alternatives that vary in terms of strategies and investment style dependent upon the model portfolio selected. TFA also manages Transamerica<sup>®</sup> Strategy Solutions which is a suite of risk-based allocations to strategies on the Transamerica<sup>®</sup> One platform. There are five allocations, one for each of the five risk categories. TFA Advisors have access to Transamerica<sup>®</sup> 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, time horizon, and investment objectives. The Advisor will analyze your current financial situation, investment goals, and current investment strategies. The Advisor will then provide recommendations to you based on the Advisor's analysis. TFA Advisors do not provide legal, tax or accounting advice. If your TFA Advisor determines that your investment objectives are best met by investing in a Transamerica<sup>®</sup> ONE program, your TFA Advisor will recommend that you open an account within the Transamerica<sup>®</sup> ONE Wealth Management Platform ("Transamerica<sup>®</sup> ONE").

Your TFA Advisor will also explain any special instructions for the management of the assets in a Transamerica<sup>®</sup> ONE 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; and answer questions about these services and the Transamerica<sup>®</sup> ONE program. Your TFA Advisor will meet with you, at least annually, to review your stated investment objectives and goals to assess whether your Transamerica<sup>®</sup> ONE account is still suitable for you given your then current investment objectives.

Transamerica<sup>®</sup> ONE 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 Goldman Sachs Group, Inc. ("Goldman Sachs"), whereby TFA will administer and sponsor Transamerica<sup>®</sup> ONE using Goldman Sachs Advisor Solutions internet-based platform. TFA has contractual arrangements with various Model Managers to develop model portfolios to include in Transamerica<sup>®</sup> ONE.

Model Portfolios are accessed by your Advisor through the Transamerica<sup>®</sup> ONE Website ("Website"). For all programs offered through Transamerica<sup>®</sup> ONE, your TFA Advisor will compile pertinent financial and demographic information to develop an investment program that will meet your stated investment goals and objectives. Utilizing the Transamerica<sup>®</sup> ONE Platform tools, TFA Advisors will allocate a 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. Clients can allocate to investment options that fall within their risk profile or one above or one below. For example, a client with a Moderate risk profile can make allocation changes to portfolios that are Moderate, Moderate Aggressive and/or Moderate Conservative. However, if allocating outside of that risk range clients would need to complete a new risk tolerance questionnaire to match their current risk profile and sign the newly generated Investment Policy Statement. TFA Advisors will review

with clients, at least annually, whether any of the above noted information has changed and update investment recommendations if warranted. TFA may terminate managers/strategies and reallocate impacted client assets if the client/advisor do not proactively choose another allocation. While client information is considered confidential, it will be provided to Goldman Sachs as required to open and maintain the account, as described in our Privacy Policy.

Clients' Accounts are managed by the model managers that participate in the Transamerica<sup>®</sup> ONE program. Clients may, however, 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 in Transamerica<sup>®</sup> ONE 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 Model Manager's Form ADV Part 2A or other Disclosure Brochure(s).

TFA also offers its own proprietary model portfolios in Transamerica<sup>®</sup> ONE. The Transamerica I- Series<sup>®</sup> model portfolios consist of asset allocation model portfolios invested primarily in exchange traded products and mutual funds. TFA has discretion over the I-Series models in solely in its role as model manager. TFA Advisors do not have discretion over any client account.

TFA also offers Transamerica<sup>®</sup> Strategy Solutions which are a suite of risk-based allocations to strategies on the Transamerica<sup>®</sup> One platform. There are five allocations, one for each of the five risk categories. Transamerica<sup>®</sup> Strategy Solutions are intended for clients whose primary focus is achieving a level of risk in the overall portfolio that matches the client's targeted risk level.

Since TFA is the sponsor of Transamerica<sup>®</sup> ONE, TFA earns additional fees for providing administrative services. Please see the fee schedule below for more details on fees.

You and your TFA Advisor can also access performance reports from the Goldman Sachs website. Folio Financial, Inc. ("Folio"), a Goldman Sachs company, is the broker-dealer and the primary custodian for your accounts. Goldman Sachs is the custodian for

IRA accounts. As the custodian of your assets, Folio/Goldman Sachs will send e-mail notifications to you when statements and confirmations are posted to your account. If you wish to receive paper statements or performance reports, you can request those documents from Folio/Goldman Sachs for an additional fee.

You are responsible for directing how the proxies, solicited by issuers of securities held in your account, shall be voted.

Your Client Services Agreement (“Client Agreement”) with TFA may be terminated by either party effective upon the date of written notice to the other party. If you terminate your Client Agreement within five (5) business days of signing, you will receive a full refund of all fees and expenses. All account fees paid to us for investment advice are separate from any additional fees and expenses that Folio or Goldman Sachs may charge for the termination of your account. Please refer to the Folio/Goldman Sachs client agreement for more information. Your TFA Client Agreement will also terminate should the agreement between TFA and Goldman Sachs terminate.

Your account may also be subject to certain Service Fees separate from the advisory fee that you pay. The following is a non-comprehensive list of service fees that you may incur. A complete listing of service fees is available on the Website – <https://www.folioinstitutional.com/resources/service-fees.jsp>

- Wire fund transfer
- Account transfers out
- Check ordering
- Returned check (non-sufficient funds)
- Express mail
- Annual IRA custodial account

## **FEES AND COMPENSATION**

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

Transaction costs are included in the Total Fee, however other separate Service Fees as previously described may apply. The Total Fee is paid monthly in arrears and calculated

based on your account's average daily balance during the preceding month. The applicable Total Fee will be determined based on the amount of assets held in all accounts established in Transamerica® ONE under the identical primary social security or tax ID number. All brokerage, custodial, and administrative costs associated with this program will be clearly noted on your statements. Folio will deduct from your account its own fees and will also, at the direction of the Sponsor, deduct from your account fees related to Transamerica® ONE. TFA will be responsible for paying each Model Manager the appropriate fee for their participation in Transamerica® ONE.

For accounts opened within Transamerica® ONE, TFA has established the following blended rate fee schedule. The Advisor Fee shown in the chart is negotiable between you and your TFA Advisor. The below fees are tiered. For example, on the first \$250,000 that you invest in a Transamerica® One program you will pay a Total Annual Advisory Fee between 1.60% - 2.00% or whatever fee you negotiate. On amounts from \$250,001 to \$500,000 you will pay a Total Annual Advisory Fee between 1.35% - 1.75% or whatever fee you negotiate. The Total Annual Advisory Fee would continue as set forth in the schedule below or as negotiated for each level.

***Transamerica® ONE Wealth Management Platform Annual Fee Schedule***

<b>Range of Assets*</b>	<b>Investment Advisor Representative Fee**</b>	<b>TFA's Platform Fee</b>	<b>Model Portfolio Management Fee***</b>	<b>Total Annual Advisory Fee****</b>
First \$0 - \$250,000	1.10%	0.50%	0.00% to 0.40%	1.60% - 2.00%
Next \$250,001 - \$500,000	1.00%	0.35%	0.00% to 0.40%	1.35% - 1.75%
Next \$500,001 - \$1,000,000	0.90%	0.25%	0.00% to 0.40%	1.15% - 1.55%
Next \$1,000,001 - \$2,000,000	0.80%	0.20%	0.00% to 0.40%	1.00% - 1.40%
Next \$2,000,001+	0.70%	0.15%	0.00% to 0.40%	0.85% - 1.25%

\* The minimum account size for Transamerica® ONE is \$25,000. TFA reserves the right to waive the minimum account requirement at its discretion.

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

\*\*\* Fees are expressed as an annual percentage of assets under management. All the Model Portfolio Management Fees are paid to the third-party model managers. In addition, TFA retains Platform Fees, and pays a portion of the Platform Fee to Goldman Sachs for technology, billing, custody, and clearing services.

\*\*\*\* The Total Fee to the client is dependent on the model portfolio(s) selected. Client may also incur certain charges imposed by third parties other than TFA and Advisor in connection with investments made through client's Account, including, without limitation, the following types of charges which are generally charged by mutual funds and fully disclosed in the prospectus for each fund: 12b-1 fees, management fees and administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees.

Some mutual fund share classes that TFA makes available to clients on its platforms charge a distribution fee pursuant to Rule 12b-1 under the Investment Company Act of 1940, also known as trails. The Model Managers on the Transamerica® ONE Wealth Management Platform maintain a practice



*of purchasing the lowest cost mutual fund share class made available through our custodian, Folio. TFA requires Model Managers to periodically attest that they are purchasing the lowest cost share class available for model portfolios on this platform.*

*For clients with multiple accounts in Transamerica® ONE, please refer to the account establishment paperwork for Transamerica® ONE for additional details on aggregating fees and expenses.*

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 at its discretion revise any aspect of the total client fees which include three components (1) the TFA Advisor's fee, (2) the Portfolio Management fee, and (3) the Platform fee, 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 Transamerica® ONE. Specifically, advisory clients must complete an Investor Profile form. This form provides TFA with information such as client name, address, date of birth and other information used to identify you.

TFA will 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. Your TFA Advisor will provide you with a client advisory agreement for you to review carefully, acknowledge and sign.

Transamerica® Strategy Solutions are intended for clients whose primary focus is achieving a level of risk in the overall portfolio that matches the client's targeted risk level. Transamerica® Strategy Solutions are intended for clients who are interested in a diversified portfolio, with a blend of passive and active strategies. The typical client does not have a strong preference towards any single strategy or manager and are not looking for tactical overlay services that actively rebalance between strategies. Instead,

these clients are interested in achieving reasonable returns while attempting to reduce downside risk where possible. For Moderate to Aggressive investors, frequency of trading and short-term gains and losses is not a concern especially when increased trading is done to increase returns or reduce downside risk. However, for Conservative to Moderate investors, lower cost, and greater tax efficiency through longer holding periods takes primary precedence with some trading to reduce downside risk.

## ITEM 6 – MODEL MANAGER SELECTION AND EVALUATION

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TFA selects Model Managers based upon various guidelines and criteria that we consider as part of our due diligence review of each Model Manager. TFA may make exceptions to the following list of criteria when reviewing new Model Managers and the following list is not necessarily a comprehensive list of everything that TFA reviews during due diligence of Model Managers:

- Available Strategy/Model Portfolio
- Use of Leverage
- Use of Hedging
- Performance vs. Benchmark (audited to GIPS standards)
- At least 3 years of actual performance history
- Management fees
- AUM (minimum \$100MM and federally registered)
- Form ADV Part 1 and 2A Disclosures
- Staffing experience and turnover
- Pending or previous regulatory matters
- Financial

The methods of analysis, sources of information and investment strategies used by TFA's Model Managers 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 Transamerica<sup>®</sup> ONE.

On a regular basis and at least quarterly, 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 the Model Manager 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 Transamerica<sup>®</sup> ONE is warranted. If a model portfolio or Model Manager is removed, TFA and/or your TFA Advisor will contact you to inform you of this change in status and how your account will be impacted. You will not have the option of continuing to remain invested in or with the removed model portfolio. However, you will be provided a period of time in which you can work with your TFA

Advisor to move to a comparable model portfolio (or set of portfolios). If you do not provide your TFA Advisor instruction, your investment will be automatically reallocated to a comparable model portfolio. The removal and re-mapping of client assets after notice to the client and their TFA Advisor is not deemed to be discretion on the part of TFA.

## ITEM 7 – CLIENT INFORMATION

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Your Advisor will assist you in completing your risk tolerance questionnaire within the Goldman Sachs 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, time horizon, 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 pursuant to regulatory rules and for TFA to continue to ensure that model portfolios used in your Transamerica® ONE 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 the Model Managers.

## 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. 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 the performance of each investment or account.

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 specific industries or are otherwise subject to 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 Exchange-Traded Funds (ETFs):** 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 (ETN):** 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.

**Investing in Environmental, Social and Governance (“ESG”):** ESG investing, also known as “socially responsible investing,” focuses on the social values or environmental, social, and governance standards or the sustainability factors of an investment. Some investment strategies use criteria to supplement financial analysis when considering a particular issuer or security, while others affirmatively select “socially responsible” investments or screen out or exclude investments in companies that engage in certain activities. This may limit the type and number of investments available in a strategy and cause the strategy to underperform other strategies without a ESG based focus or with a focus that involves a different type of focus or screening methodology. ESG strategies may underperform the market as a whole. Companies and issuers selected in a ESG based strategy may not or may not continue to demonstrate ESG based characteristics.

**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 TFA 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 Transamerica® ONE program, due to TFA’s, Goldman Sach’s and Folio’s interconnectivity with third party vendors, central agents, exchanges, clearing houses, and other financial institutions, TFA, Goldman Sachs and Folio could be adversely impacted if any of them is subject to a cyber-attack or other information security event. Although TFA, Goldman Sachs and Folio 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 elsewhere in this section will likely increase. As a result, whether the underlying investments are 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 last 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 bankruptcy, 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 security 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 to maintain a long-term goal for asset allocation). 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 four disciplinary events that are material to your evaluation of us. Two of these events involve charges brought by the Securities and Exchange Commission ("SEC"). Two of the events involve charges brought by TFA's self-regulatory organization, Financial Industry Regulatory Authority, Inc. ("FINRA").

### **SEC Proceedings**

- On March 11, 2019, the 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 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 were paid to a Distribution Fund ("Fund") for 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 brief 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 SEC 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<sup>®</sup> and Transamerica<sup>®</sup> 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<sup>®</sup> and Transamerica<sup>®</sup> ONE programs between 2011 and 2015.

TFA 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 were paid to a Fair Fund ("Fund") for distribution to affected investors who purchased or held an interest in the AUIM and F-Squared strategies in the Transamerica I-Series<sup>®</sup> and Transamerica<sup>®</sup> 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>.

## **FINRA Proceedings**

- On July 27, 2015, TFA and FINRA entered into a Letter of Acceptance, Waiver, and Consent in which TFA agreed to settle 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 TFA 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, TFA 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 December 21, 2020, TFA and FINRA entered into a Letter of Acceptance, Waiver and Consent in which TFA agreed to settle 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 \$4,400,000 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>.

## **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 Insurance Agency, LLC, an insurance agency 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 TPMMs 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 mitigates these conflicts by monitoring the appropriateness of the recommendations made to you by TFA's Advisors with regard to all advisory services they offer you and 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.

**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, LLC

Transamerica Capital, LLC ("TCL") is the principal underwriter for variable annuity and life insurance products offered by TFA's affiliated insurance companies. TFA has a selling agreement with this broker-dealer that compensates TFA for selling these products. TCL is also a wholesale distributor of Transamerica products. Such compensation creates a conflict of interest for TFA and its Advisors. TFA mitigates this conflict by monitoring the appropriateness of the recommendations made to you by TFA Registered Representatives and Advisors on all products and advisory services 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. TFA offers insurance products through affiliated insurance companies which contain shares of the Transamerica Series Trust and/or Transamerica

Partners Funds, both of which are affiliated investment companies. TFA receives compensation from these sales. Such compensation creates a conflict of interest for TFA and its Advisors. TFA mitigates this conflict by monitoring the appropriateness of the recommendations made to you by TFA Registered Representatives and Advisors.

**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”); and
- 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 affiliated with our affiliated insurance companies/agencies. In its capacity as a broker-dealer, TFA receives 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 arrangements 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, its Registered Representatives and its Advisors. TFA mitigates this conflict by monitoring the appropriateness of the recommendations made to you by TFA Advisors and Registered Representatives on all services and products you purchase including those services and products offered and 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.
- WFG Insurance Agency of Puerto Rico, Inc.

Your Advisor may also be an insurance agent and 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 our Affiliated Agencies, 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 its fiduciary obligation to you and our prospective clients, that TFA conducts its advisory services with the highest level of ethical standards, and that TFA instills 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 account statements, trade confirmations and performance reports from the Folio website. E-mail notifications to you and your Advisor will be sent when statements and confirmations are posted to your account. If you wish to receive paper statements, you can request those documents for an additional fee.

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

## **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 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 to promote these TPMMs services.

Each of the TPMMs or other service providers that have marketing 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 their 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 insurance sales as insurance agents of World Financial Group Insurance Agency, Inc. These events may influence their decision to recommend a particular insurance product to you in their capacity as

an insurance agent for consideration.

**VOTING CLIENT SECURITIES (PROXY VOTING)**

When you open a Transamerica® ONE account, you are responsible for directing the way proxies for the securities held in your account are voted. TFA does not vote proxies on behalf of our clients in Transamerica® ONE, including those managed by TPMMs. You should refer to the TPMMs' disclosure documents for a complete description of their proxy voting procedures. These documents will explain whether you will receive proxies or other solicitations directly from the custodian or a transfer agent.

**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.