

TRANSAMERICA FINANCIAL ADVISORS, INC.

FORM ADV PART 2A, APPENDIX 1

TRANSAMERICA® ONE WEALTH MANAGEMENT PLATFORM

BROCHURE

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March 31, 2019

This Form ADV Part 2A – Appendix 1 (“Wrap Fee Brochure”) provides information about our qualifications and business practices as they relate to the Transamerica ONE Wealth Management Platform program. 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 Transamerica Financial Advisors, Inc. (“TFA”) is also available at the SEC’s website www.adviserinfo.sec.gov. (Click on the link, select “investment adviser firm” and type in our firm name). Results will provide both Part 1 and Part 2A of our Form ADV.

TFA is a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to clients and prospective clients, including this Wrap Fee Brochure, is information clients and prospective clients should use to evaluate TFA and which should be factored into the decision to hire TFA or to continue to maintain a mutually beneficial relationship.

ITEM 2 – MATERIAL CHANGES

This appendix includes the following materials changes that have occurred since the firm's last annual brochure update on March 29, 2019:

Fees and Compensation

- The Total Annual Advisory Fees Charged for the Transamerica® ALPHA Program have been lowered as outlined in Item 4 and in the Fee Schedule on Page 10.
- For accounts opened within Transamerica® ONE, a client may be able to negotiate with their advisor a fee rate that is lower than the listed fee schedule.

Disciplinary Information

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

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

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, download it at www.tfaconnect.com, or contact us at 727-299-1800 *extension 123-2080*.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

THE COMPANY

Transamerica Financial Advisors, Inc. (“we/our/us/TFA”) is an investment advisory firm 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. This enables us to offer a wide range of financial products to our clients such as variable annuities, mutual funds and other financial products. 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 employee 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 certain of these services. The information in this Wrap Fee Brochure pertains to the Transamerica® ONE Wealth Management Platform (“Transamerica® ONE”) only. TFA does not provide legal, tax, or accounting advice.

TFA Advisors have the ability to offer you advisory services other than Transamerica® ONE 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 is the sponsor of and one of several model portfolio managers within the Transamerica I-Series® Program; however, this Program may not be available to all Advisors. TFA Advisors 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.

Generally, at the time TFA offers you our advisory services, our Advisors conduct interviews 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. If your Advisor determines that your investments are best suited within a wrap fee account, your Advisor will offer you the ability to open an account within the Transamerica® ONE Wealth Management Platform ("Transamerica® ONE").

Your Advisor may also provide assistance to you by explaining any special instructions for the management of the assets in a Transamerica® ONE account; in understanding the investment management process, investment objectives, and the investment strategies undertaken as part of the service; in reviewing and completing the electronic and/or written materials required to open the wrap fee account; in monitoring reports, statements and performance results; in monitoring your ongoing needs and financial situation; and in answering questions about the service. Your Advisor will meet with you, at least annually, to review your stated investment objectives and goals in order to assess whether or not a Transamerica® ONE account is still suitable for you.

Transamerica® ONE is a wrap fee account that offers clients access to fee-based investment management. "Wrap-fee" means that you will pay a single fee for the services provided by the program, as opposed to purchasing and paying for the services separately. Transamerica® 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 FOLIO*fn* Investments, Inc. ("FOLIO*fn*"), whereby TFA will administer and sponsor Transamerica® ONE using FOLIO*fn*'s internet-based platform. TFA has entered into contractual arrangements with various Model Managers to develop model portfolios to include in Transamerica® ONE.

Model Portfolios are accessed by your Advisor through the Transamerica® ONE Website ("Website"). The website also contains online analytical tools to assist your Advisor in conducting a review of your financial circumstances and situation. After conducting a suitability analysis, including consideration of your investment objectives, time horizon and risk tolerance, your Advisor will assist you with the selection of one or more model portfolios in an effort to meet your investment needs. Your Advisor will review with you, at least annually, whether information reflected in your Client Questionnaire has changed so that updated investments can be made, if warranted. While your information is considered confidential, it will be provided to FOLIO*fn* as required to open and maintain your account.

Clients' Accounts are managed on a fully discretionary basis. 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.

The model portfolios available in Transamerica® 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.

TFA also offers its own proprietary model portfolios in Transamerica® ONE. The Transamerica I- Series® model portfolios consist of asset allocation model portfolios invested primarily in exchange traded products and mutual funds.

Since TFA is the sponsor of Transamerica® ONE, we earn additional fees for providing administrative services and model portfolios to Transamerica® ONE. Please see the fee schedule below for more details on fees.

You and your Advisor can also access performance reports from the Website. As the custodian of your assets, FOLIOfn will send e-mail notifications to you and your Advisor 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 FOLIOfn for an additional fee.

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

Your client services agreement with TFA may be terminated by either party effective upon receipt of written notice to the other party. If you terminate the client services 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 FOLIOfn may charge for the termination of your account. Please refer to the FOLIOfn client agreement for more information. Your client services

agreement with TFA will also terminate should the agreement between TFA and FOLIO*fn* 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 transfer 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 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 wrap fee program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in Transamerica® ONE.

Transaction costs are included in the Total Fee, however other separate Service Fees as previously described may apply. All or a portion of your Advisor’s allocated investment advisory fee may be waived with TFA approval. Additionally, 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*fn* 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.

Transamerica® ONE Wealth Management Platform Annual Fee Schedule

Range of Assets*	Investment Advisor Representative Fee**	TFA's Platform Fee	Model Portfolio Management Fee***	Total Annual Advisory Fee****
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; however, certain model portfolios may require higher account minimums.

** Discounts may be negotiated in certain circumstances.

** Fees are expressed as an annual percentage of assets under management. All of the Model Portfolio Management may be paid to the third party model managers. In addition, TFA may retain all of the Model Portfolio Management and a portion of the Platform Fees for managing certain Transamerica I-Series® model portfolios.

*** 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 available, which, in certain instances, pays 12b-1 fees. TFA does not receive any of these 12b-1 fees; rather, such fees are received and retained by FOLIOfn. TFA periodically reviews the model portfolios on this platform to ensure that the Model Manager is purchasing the lowest cost share class available.

Assets under management is the total value of the assets in the account, including assets held in cash and cash equivalents. The same Platform and Advisor fees will be charged whether the assets are held in securities or other instruments or whether they are held in cash or cash equivalents. TFA's fees, as applied to assets in your account held in cash or cash equivalents, may be higher than what other advisors would charge to provide cash

management services. Assets held in cash that are not part of a model portfolio would not be charged Model Portfolio Management fees.

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 particular 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

TFA provides advisory services to many types of clients. The majority of TFA's clients are individuals, some of which may be high-net worth individuals. TFA also provides these services to pension and profit sharing plans, trusts, estates, charitable organizations, state or municipal government entities, and other corporations or businesses.

TFA has established conditions for opening accounts in Transamerica® ONE. Specifically, advisory clients must complete an Advisory 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 a minimum account size and will have a client advisory agreement for you to review carefully and agree to the conditions.

The minimum account size for Transamerica® ONE is \$25,000. However, some of the model portfolios may require higher investment minimums than \$25,000 due to the minimums required by the underlying mutual funds in the model portfolio. Please refer to the Transamerica® ONE Client Services Agreement for more detail.

ITEM 6 – MODEL MANAGER SELECTION AND EVALUATION

TFA selects Model Managers who are Registered Investment Advisers based upon various guidelines and criteria that we consider as part of our due diligence review of each Model Manager. Please keep in mind that TFA may make exceptions to the following list of

criteria when reviewing new Model Managers and that the following list is not necessarily a comprehensive list of everything that TFA reviews during our 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
- Financials

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® 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 period, 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® ONE is warranted.

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 a TFA representative that is registered only with the broker-dealer of TFA and not the investment advisor. 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.

ITEM 7 – CLIENT INFORMATION

Your Advisor will assist you in completing your risk questionnaire within the FOLIO*fn* platform in order 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 Advisor will gather the following information to assist in this selection:

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

Your information is retained in the FOLIO*fn* system in order for us 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

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

ITEM 9 – ADDITIONAL INFORMATION

Disciplinary Information

TFA is both a broker-dealer and a Registered Investment Adviser. In the last ten years, we have had 11 disciplinary events that are material to your evaluation of us. Three of these events involve charges brought by the Securities and Exchange Commission (“SEC”). Four of the events involve charges brought by our self-regulatory organization, Financial Industry Regulatory Authority, Inc. (“FINRA”) formerly known as the National Association

of Securities Dealers. Five of the events involve charges brought by state regulatory agencies.

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. We 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 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 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. We 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 brief 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”). We 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. We 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.

On November 22, 2010, the firm entered into an Order with the Securities and Exchange Commission. Without admitting or denying the allegations, we agreed to pay a fine of \$200,000 and to retain the services of an outside vendor to provide suitability training to each of the firm's registered representatives for a two-year period. This matter pertains to the SEC alleging that the firm did not provide adequate supervision to representatives in a California-based office from the beginning of 2006 through May 2007. The SEC also believed that certain registered representatives of that office made unsuitable securities recommendations to clients during that time.

FINRA Proceedings

- On December 21, 2010, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. TFA agreed to a fine of \$50,000. TFA further agreed to review the adequacy of our policies, systems and procedures for determining whether new products are securities and to provide a written description of the policies, systems and procedures and certification to FINRA.
- On January 20, 2015, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we 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.
- On July 27, 2015, FINRA accepted our Letter of Acceptance, Waiver, and Consent in which we 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.

State Proceedings

- On December 2, 2009, we entered into a Consent Order with the State of Nevada Securities Division. Without admitting or denying the allegations, TFA agreed to pay a fine of \$30,000 and to take remedial action to ensure that our registered representatives comply with the firm's internal policies and procedures relating to entry of rejected trades on the branch office trade blotter.
- On April 15, 2010, we entered into a Consent Order with the State of Nevada Securities Division. TFA agreed to pay the State \$15,000 for the cost of its investigation into a matter which the firm reported to the State. Also, restitution in the amount of \$382,200 was paid by the firm as a result of a former registered representative selling unregistered securities, without the firm's knowledge, to six individuals.
- On May 17, 2010, TFA agreed to pay an administrative penalty in the amount of \$25,000 to the Arizona Corporation Commission and we were required to undertake remedial measures as directed by the State for a period of three years. TFA also paid restitution in the amount of \$828,501. This matter pertained to the sale of unapproved products by former registered representatives of the firm.
- On August 2, 2011, we entered into a Consent Order with the State of Florida Office of Financial Regulation. Without admitting or denying the allegations, TFA agreed to pay an administrative fine of \$50,000. The State of Florida found that TFA failed to reasonably supervise a former representative in violation of Section 517.161(1) (H) Florida Statutes and Rule 69W-600.013(1)(H)1 Florida Administrative Code.

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. All 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 are allowed to 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 may exist 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.

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 may 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.

Investment Companies under Common Control with AEGON N.V.

TFA has an agreement to sell shares 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 of which are affiliated investment companies. TFA receives compensation from these sales. Such compensation may 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 TFA affiliates.

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

The following SEC Registered Investment Advisers are under common control with us. 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 may also 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 under Revenue Sharing. Such revenue sharing payments may 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 TFA 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 TFA’s 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.

TFA’s Code is comprehensive and is distributed to each home office employee and Advisor (collectively “Access Persons”) at the time of hire, and 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 our 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 sales 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 the 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 needs.

You and your Advisor can access monthly account statements, trade confirmations and performance reports from the FOLIOfn 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 the custodian of your assets.

Annually, TFA delivers the firm's Annual Due Diligence Questionnaire to all Model Managers in Transamerica® ONE. TFA reviews these questionnaires and any irregularities with the Advisory Services Team. If warranted, the matter will be escalated to TFA's Investment Committee. This committee will review the matter and vote to retain or remove the Model Manager.

Client Referrals and Other Compensation

TFA may, from time to time, enter into Solicitor Agreements with separately-registered investment advisers that may be affiliated or unaffiliated with us. These agreements allow these registered investment advisers to offer our advisory programs on a solicitor's basis, pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

On occasion, third persons ("Solicitors") who are not associated with TFA will refer prospective clients to an Advisor who will offer our advisory programs. TFA enters into Referral Agreements with these Solicitors pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940. TFA will compensate the Solicitor directly if you agree to accept our advisory services. A portion of your advisory fee will be paid to this Solicitor. At the time of the referral, your Solicitor will provide you with a compensation statement disclosing the terms of his/her agreement with TFA.

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 may reimburse us for up to 100% of the cost of these meetings. These contributions and reimbursements create a potential conflict of interest because meeting sponsors have more opportunities to provide our Advisors with education on investments, their investment management services, industry trends, and other issues and because we benefit 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.

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.