

# TRANSAMERICA FINANCIAL ADVISORS, LLC

Form ADV Part 2A, Appendix 1

TFA365 Wealth Advisory Program 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 TFA365 Advisory 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 Corporation.
- TFA has redomiciled its headquarters to Philadelphia, PA.
- TFA has changed the name of TFA Elite Program to TFA365 Advisory Program.
- TFA has changed its Maximum Client fee, and its Program fee has been lowered within the 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 federally registered investment advisor and has been 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).

TFA offers investment related products, variable insurance products, employer retirement solutions, and advisory and asset management services to the retail public. TFA and some of TFA’s financial advisors also act in the capacity of broker-dealer and registered representatives respectively. When TFA is acting as a broker-dealer neither TFA nor its financial advisors are acting as fiduciaries under the law, but each has a responsibility to deal fairly with all clients.

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

The information in this Wrap Fee Brochure only pertains to the TFA365 Advisory Program (“TFA365”), however, TFA, in its capacity as a federally registered investment advisor offers other advisory services which are generally described in TFA’s Form ADV Part 2A and the specific service brochure. These offerings may include access to Portfolio Managers who manage model portfolios on behalf of clients, referrals to third-party providers that offer certain administrative services relating to employee benefit plans, access to a wrap fee program that offers clients access to fee-based investment management, access to a suite of risk-based allocations to strategies and access to a digital advice program under which clients receive investment portfolio recommendations and investment management of the assets held in their accounts. TFA’s advisory services are made available to clients through individuals registered with TFA as investment advisor representatives (“Advisors”).

For more detailed information about these programs, please request a copy of TFA’s Form ADV Part 2A from your Advisor or you can access the form directly by visiting TFA’s public website at [www.tfaconnect.com](http://www.tfaconnect.com).

At the time your Advisor offers you TFA advisory services they, with the assistance of firm tools and online resources, will conduct an interview with you and collect financial information to determine your financial needs, time horizon, and objectives. Your Advisor will analyze your current financial situation, investment goals, time horizon, risk tolerance, and present investment strategies, if any. Your Advisor will then provide investment recommendations to you based on the Advisor’s analysis. TFA and TFA Advisors do not provide legal, tax or accounting advice.

Your Advisor cannot retain custody of any of your assets, including stocks or bond certificates

or cash. When providing funding for your account, if you are using a check, you should only make any check payable to National Financial Services, LLC. You should **never** make checks payable to your Advisor or any other entity.

If your Advisor determines that your stated investment objectives would be best met by using the TFA365, your Advisor will assist you in opening an account. Your Advisor will also explain 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 the program.

Your Advisor will meet with you, at least annually, to review your stated investment objectives and goals and to assess whether a TFA365 account is still suitable for you given your then current investment objectives. There is no additional charge for this service. You are strongly encouraged to meet with your Advisor more frequently if you have questions about your account or if your personal financial circumstances change.

TFA365 is available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. TFA has entered into an agreement with Fidelity Institutional Wealth Adviser LLC (“FIWA”), whereby TFA will administer and sponsor TFA365 using the Fidelity Managed Account Xchange<sup>SM</sup> managed account platform (the “FMAX Platform” or “FMAX”). FIWA is a registered investment adviser and an indirect, wholly owned subsidiary of FMR LLC (collectively with FIWA and its affiliates, “Fidelity Investments,” “Fidelity”). FIWA does not maintain custody of your assets in connection with the services it provides to TFA365. NFS, a registered broker-dealer and affiliate of FIWA, has custody of assets on the FMAX Platform and performs certain services for the benefit of TFA clients, including the execution of trading instructions, as well as custodial and related services.

TFA365 consists of three different programs which TFA Advisors may offer their clients: the TFA365 Advisory Strategist Program, the TFA365 Advisory Separately Managed Account Program, and the TFA365 Advisory Unified Managed Account Program (together, the “Programs” and individually a “Program”). Your Advisor will assist you in selecting the Program that meets your investment goals and objectives. Utilizing the FMAX Platform tools, you and your Advisor will allocate your assets among the different options within the selected Program and determine the appropriateness of the asset allocation and investment options for you, based on your stated investment objectives, investment time horizon, risk tolerance and any other pertinent factors.

The model portfolios available in TFA365 offer several types of investment alternatives that vary in terms of strategies and investment style. Types of investments used can consist of, but are not necessarily limited to, individual stocks, mutual funds, bonds, and exchange traded products. For a complete listing of the securities that may be used in your model portfolio, please consult the FIWA Form ADV Part 2A titled Fidelity Managed Account Xchange<sup>®</sup> for additional details or the Portfolio Manager’s Form ADV Part 2A or other Disclosure Brochure(s). Clients may allocate to investment options that fall within their risk profile. 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. Your Advisor will conduct a review of your investment advisory account with you, at least annually, to determine whether any of the above noted information has changed and assist you in updating your investments if warranted.

By signing their Client Services Agreement, Client gives written authorization to TFA and Advisor the exercise limited discretionary authority to replace and update allocation weightings for Portfolio Managers as long as the changes only occur within Client's risk tolerance noted on Client's most current Statement of Investment Selection on file with TFA. Any changes to allocations outside of Client's stated risk tolerance, would require a new client signed Statement of Investment Selection.

Clients may impose reasonable investment restrictions on the management of their accounts. If a requested investment restriction is deemed to be unreasonable, or if TFA determines 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.

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

FIWA has retained Investnet Asset Management, Inc. ("EAM"), an unaffiliated investment adviser, to provide model implementation, overlay management, and other administrative duties. You agree and acknowledge that EAM will have discretionary authority over your accounts and is responsible for the implementation of models received from model providers in your accounts. EAM also provides overlay management services (together with model implementation this function is referred to as "Implementation Manager"). Please refer to the current FIWA Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional details. FIWA may at its discretion in the future utilize other affiliated or unaffiliated investment advisers to act in the role of Implementation Manager. Additional information about FIWA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TFA may recommend tax and values overlay services ("Tax Overlay" and "Values Overlay") for wrap fee clients. Tax Overlay seeks to consider tax implications that may detract from a client's after-tax returns. Values Overlay allows FIWA to integrate ESG factors into their investments based on a client's request. If selected by the Client after discussion with their Advisor, the Implementation Manager provides the Tax Overlay or Values Overlay (or both) services, to an account or sleeve. The Tax Overlay services are designed to enhance the after-tax return for the client. TFA, FIWA or the Implementation Manager do not provide tax planning advice or services, TFA recommends that any questions about Tax Overlay be directed to your tax

professional. Please discuss any general questions you may have with your Advisor.

EAM will liquidate securities that are transferred in-kind into a clients' account typically upon receipt. The Implementation Manager has the authority to liquidate such assets, and absent special circumstances or direction from TFA, Implementation Manager will treat the transfer of securities into the account as an instruction to liquidate the securities at market price. Clients should thus be aware that if they transfer in-kind assets into an account, EAM will liquidate such assets immediately or at a future point in time unless explicit special instructions are received from you prior to funding. In certain circumstances, clients will have a taxable event when the Implementation Manager liquidates such assets. Accordingly, clients should consult with their Advisor and seek tax advice from their tax consultant before transferring in-kind assets into a TFA365 account. Advisors do not provide tax advice.

Clients, at their request, may hold "unsupervised" assets within their account. The Advisor will provide no advice regarding such assets and will not receive any compensation on the assets while the assets are held as unsupervised. These assets are not part of the advisory billing or performance reporting. These assets will appear on your custodial statement and be subject to brokerage fees and terms and conditions.

Depending on your elections, you will either receive trade-by-trade confirmations from NFS for any transactions in your account or quarterly trade confirmations; however, with respect to automatic investments, automatic withdrawals, dividend reinvestments, and transactions that involve the core Fidelity money market fund, a client's account statement serves in lieu of a confirmation. In addition, clients will receive statements from NFS at least quarterly that detail all holdings and transaction information, including trades, additions, withdrawals, shifts in investment allocations, fees, and estimated gain/loss and tax basis information. Statements and confirmations are also available online at Fidelity.com or Wealthscape<sup>SM</sup> and by enrolling in electronic delivery. You should carefully review all statements and other communications in connection with your accounts upon receipt and raise any discrepancies related to the same immediately, but in any case, no later than 30 days after receipt of the statement. If you wish to receive paper statements, which will be subject to a fee, contact your Advisor.

While client information is considered confidential, it will be provided to Fidelity, EAM and NFS as required to open and maintain the account, as described in TFA's Privacy Policy.

### **Termination**

The Client Services Agreement ("Services Agreement") for the Programs described in this Brochure may be terminated, changed or modified by TFA at any time in its sole discretion. The Service Agreement may also be terminated at any time by you upon signed written notice to TFA in accordance with the terms of the Service Agreement.

If you or TFA terminate the Service Agreement, a prorated amount of the asset-based fee will be refunded to you. Terminated accounts will be closed in accordance with one of the scenarios described below:

***Terminations initiated by TFA.*** TFA may terminate any account with thirty (30) days' notice or earlier if provided for under the law. If you fail to provide written instructions for account disposition within thirty (30) day period, the account will be a) liquidated and the proceeds mailed to your address of record then on file with TFA or to an intermediary of your choice or b) transferred in-kind to a non-advisory TFA brokerage account. Advisory or institutional share classes may not be available in such non-advisory accounts.

***Terminations initiated by the Client.*** If you elect to voluntarily terminate your Service Agreement and your account, you must provide instructions for account disposition within thirty (30) days or your account will be liquidated and the proceeds mailed to your address of record then on file with TFA regardless of tax consequences.

Termination of any account may incur additional charges, including, certain brokerage fees associated with your NFS brokerage account.

**Note: TFA may change, modify or terminate the Programs, the Portfolio Managers, or Program accounts described in this Brochure at any time in its sole discretion upon thirty (30) days' notice to you.**

***Bankruptcy*** - Should TFA need to file for protection under bankruptcy laws and a protective decree would need to be issued under the Securities Investor Protection Act (SIPA), any fees owed by you, as of such date, shall be collected by Fidelity from your account as described in this Brochure.

Your account will also be subject to certain service fees separate from the Total Program Fee that you pay. Refer to the **Fees and Compensation** section below for additional information.

## **FEES AND COMPENSATION**

TFA and your Advisor are compensated in several ways. We want to ensure that you understand how TFA and your Advisor are compensated, as well as the other costs associated with your account.

You will pay a Total Annual Program Fee ("Total Program Fee") as outlined in the TFA365 Advisory Program Fee Schedule below. The Total Program Fee is comprised of your Advisor's fee, a Platform Fee, and an Investment Management Fee.

### ***Negotiable Fees***

While we have a maximum fee that can be charged to manage your account, the Total Program Fee is negotiable between you and your Advisor. The Advisor fee may be more than what your Advisor would receive if you participated in our other advisory offerings or paid separately for investment advice, brokerage services, or other services. Therefore, your Advisor may have a financial incentive to recommend TFA365 over other advisory offerings or services.



There are many factors that you should consider when negotiating the Advisor fee with your Advisor. These include such things as the complexity of your financial situation, your specific investment objectives, needs and risk tolerance. Other factors that would be appropriate to consider include, the programs or services your Advisor offers and the amount of time and due diligence necessary to research both investments you currently own as well as recommendations for any future investments. You and your Advisor should also consider the frequency of meetings and contact necessary to serve your needs as well as any potential involvement between your Advisor and your other professional service providers, such as accountants and attorneys. This is not meant to be an exhaustive list of the items to be considered, but rather serves as a guideline for you to consider when negotiating the Advisor fee with your Advisor. Your advisory fees may be higher or lower than those paid by other clients who are also participating in TFA365 based on this negotiation.

Your Total Program Fee may change based upon you and your Advisor re-negotiating the Advisor Fee. If you and your Advisor negotiate a new Advisor Fee, you will be provided a new Statement of Investment Selection (“SIS”) with your new Fee Schedule. The Total Program Fee may also change based upon TFA’s discretion to change the Platform Fee at any time. The total fee may also increase or decrease if a Portfolio Manager changes their fee or upon a reallocation to a Portfolio Managers with different fee schedules.

#### *Platform and Investment Management Fees*

The Platform Fee and the separate Portfolio Manager Fee, if applicable, are not negotiable. You will receive notice of a change in the Platform and/or Portfolio Manager fee at least thirty (30) days prior to any change.

#### *Multi-Account Discount*

You may qualify to take advantage of reduced advisory fees, through a multi-account discount. In general, the value of additional qualifying accounts, accounts for your immediate dependents and spouse could be aggregated to achieve a lower advisory fee. Please consult with your Advisor regarding any questions you may have about your eligibility. All client discounts are considered a tailored service and require an assessment and a discussion with your Advisor. These discounts do not lead to any additional compensation received by TFA or your Advisor.

#### *You Pay Your Advisory Fees in Advance*

The total annual Program Fee is paid monthly in advance. Advisory fees are computed based on the prior month’s average daily balance. The applicable Program Fee will be determined based on the amount of assets held in your TFA365 account. Fidelity will deduct its fees and fees related to TFA365 from your account. Fidelity will be responsible for paying each Portfolio Manager the appropriate fee for their participation in the TFA365 Advisory Program. All brokerage, custodial, and administrative costs associated with TFA365, as described further below, will be clearly noted on your statements. Please refer to the fee schedule below. Fees are automatically deducted from your advisory account. If you terminate your account prior to the end of month, we will refund any advisory fees owed to you on a prorated basis.

TFA has established the following tiered fee schedule for Program participants that results in a

blended rate.

**TFA365 Advisory Program Annual Fee Schedule**

Range of Assets*	Maximum Investment Advisor Rep Fee**	Maximum Platform Fee***	Portfolio Manager Fee****	Maximum Total Annual Program Fee*****
\$0 - \$150,000	1.25%	0.50%	0.00% - 1.00%	2.75%
>\$150,000 - \$250,000	1.25%	0.50%	0.00% - 1.00%	2.75%
>\$250,000 - \$500,000	1.25%	0.47%	0.00% - 1.00%	2.75%
>\$500,000 - \$1,000,000	1.25%	0.44%	0.00% - 1.00%	2.75%
>\$1,000,000 - \$2,000,000	1.25%	0.38%	0.00% - 1.00%	2.75%
>\$2,000,000 - \$5,000,000	1.25%	0.34%	0.00% - 1.00%	2.75%
>\$5,000,000	1.25%	0.33%	0.00% - 1.00%	2.75%

\* The initial minimum account size for TFA365 accounts differ by Program (please see below):

- **TFA365 Advisory Strategist Program**

Minimum Account Value: \$25,000

Below Minimum Annual Account Fee \$35

- **TFA365 Advisory Separately Managed Account Program**

Minimum Account Value: \$75,000

Below Minimum Annual Account Fee \$150

- **TFA365 Advisory Unified Managed Account Program**

Minimum Account Value: \$25,000

Below Minimum Annual Account Fee \$35

TFA reserves the right to waive the account minimum at its discretion. For TFA365 accounts that fall below the applicable Program account minimum, a minimum annual account fee will apply to the total client fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts but are determined and assessed based on the account asset value at the end of each month. For example, if an account has a \$150 minimum annual account Program Fee, it will be assessed a minimum of \$12.50 every month based on the average daily balance of the account during the previous calendar month. Therefore, if a client has large asset inflows or outflows during the year that cross the minimum asset value threshold, it is possible for an account to be assessed a minimum fee for a particular month even if at the end of the year a look back over the account's average balance for the entire year would have placed it above the minimum asset value threshold.

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

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

*\*\*\*\* Fees are expressed as an annual percentage of assets under management. All Portfolio Manager Fees are paid to the Portfolio Managers. These fees are subject to change at the discretion of the Portfolio Manager. Based upon the investments you selected; you should refer to the applicable Portfolio Managers Form ADV Part 2A or other disclosure documents for more information.*

*\*\*\*\*\* Fees are expressed as an annual percentage of assets under management. The Total Program Fee charged to the Client is dependent on the model portfolio(s) selected. FIWA shall retain the amounts due FIWA in connection with the Program and shall disburse the remainder of the Fee to TFA and/or to any applicable FIWA affiliate in accordance with their instructions. FIWA, as agent for Client, shall retain or distribute to Portfolio Managers, Implementation Manager, and any third-party service providers any amounts due such parties in connection with the FMAX Platform. Client may also incur certain charges imposed by third parties other than TFA in connection with investments made through Client's TFA365 account, including, without limitation, the following types of charges: dealer markups, markdowns, or spreads charged on transactions in over-the-counter securities; the internal charges and fees that may be imposed by any funds (such as fund operating expenses, management fees, redemption fees, 12b-1 fees, and other fees and expenses; further information regarding charges and fees assessed by funds may be found in the appropriate prospectus) or other regulatory fees; brokerage commissions or other charges imposed by broker-dealers or entities other than FIWA's affiliated broker-dealers if and when trades are executed by another broker-dealer; postage and handling charges, returned check charges, transfer taxes, stock exchange fees, or other fees mandated by law; ACAT transfer, electronic fund and wire transfer charges; individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan annual account fees and annual and termination fees for retirement accounts (such as IRAs); maintenance fees, any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the FMAX Platform.*

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

*If there is insufficient cash in the account(s) at the time the applicable Fee is to be debited from the account(s), TFA, Implementation Manager or discretionary Portfolio Managers may sell any amount of the assets held in client's TFA365 account to generate sufficient cash to pay the applicable Fee. This may create a taxable gain or tax loss for the client. Please refer to the FIWA Form ADV Part 2A titled Fidelity Managed Account Xchange® for additional details related to Fees you may incur. The cost of investment advisory services provided through TFA365 may be more or less than the cost of purchasing similar services separately or from another registered investment advisor.*

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 Advisor's fee, (2) the Platform fee, and (3) the Portfolio Manager fee, including in a way that may cause the fees paid by the client to increase. Client will be deemed to have approved a fee change unless he or she objects to the fee change by sending written notice pursuant to the Notice section in the Client Services Agreement and/or Applicable Appendix 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 its advisory programs or payable by any client or group of clients at its 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.

To open a TFA365 account a client must complete a new investor account profile which 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 in compliance with federal law. You will also complete a Client Advisory Services Agreement.

TFA365 accounts have minimum investment requirements. The initial minimum account size for TFA365 accounts differ by Program. Please refer to Item 4: Services, Fees and Compensation section above for specific information related to account minimums.

A summary of each TFA365 Program can be found below:

### **TFA365 Advisory Strategist Program**

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

### **TFA365 Advisory Separately Managed Account Program**

This Program provides you access to institutional asset managers who implement a single or multi-asset class strategy utilizing individual securities, ETFs, bond, and/or mutual funds. A Separately Managed Account (“SMA”) can refer to several different types of investment accounts managed by third-party or independent investment management firms.

### **TFA365 Advisory Unified Managed Account Program**

This Program offers a single account that offers the greatest degree of customization, allowing the ability to combine multiple SMAs, FSPs, and individual mutual funds. A Unified Managed Account (“UMA”) offers a single account with investments designed to meet a client’s specific investment needs.

For the UMA Program, you and your Advisor will select the frequency in which your account will be rebalanced to the original allocation weightings. Clients should discuss the frequency and preferred rebalancing timing with their Advisor.

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

Please refer to the FIWA Form ADV Part 2A titled FIWA Managed Account Xchange® for additional information related to these Programs.

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

## **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

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

FIWA maintains fundamental and quantitative portfolio manager research teams to perform investment due diligence for the FMAX Platform. FIWA provides investment research and due diligence on Fund Strategists, SMAs and mutual funds using four categories of investment research ratings: Available, Meets-Quantitative, Meets- Qualitative, and Preferred. Generally, TFA will offer only a curated list of strategies that are FIWA rated “Meets-Quantitative”, “Meets-Qualitative” and “Preferred”, however, TFA may offer “Available” strategies if the strategies meet TFA’s due diligence requirements.

The methods of analysis, sources of information and investment strategies used by Portfolio Managers and mutual funds offered through TFA365 will vary among managers. TFA encourages you to read each Portfolio Manager’s Disclosure Brochure, Form ADV Part 2A and/or mutual fund prospectus prior to selecting an Portfolio Manager and/or mutual fund in TFA365.

If a model portfolio or mutual fund is underperforming for an extended time, TFA will then decide if removal of a particular model portfolio, Portfolio Manager or mutual fund from TFA365 Advisory Program is warranted.

## **ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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Your Advisor will assist you in completing your risk tolerance questionnaire within the TFA365 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 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 to allow it to continue to ensure that model portfolios used in your TFA365 account are appropriate for you. Your information is not provided to the Portfolio Managers.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

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

## ITEM 9 – ADDITIONAL INFORMATION

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All investments in securities include a risk of loss of your principal. Stock markets and bond markets fluctuate over time and clients may lose money. Investments are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. All investments have risk and there is no guarantee that utilizing TFA365 and TFA's advisory consulting services will produce favorable results.

The level of overall investment market diversification will vary depending on the Program used as well as the underlying exposures of the underlying funds. The risk in a Program or Programs is a function of the underlying asset classes used and many factors affect the performance of each investment and account. Further, all investment strategies involve risk, and the investment performance and success of any strategy cannot be predicted or guaranteed. Past performance should not be used to forecast future results. No returns are guaranteed and you may lose money by investing.

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

**Investing in Mutual Funds and 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 the applicable prospectus for each.

**Investing in Exchange Traded Notes (ETNs):** 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 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 an ESG based focus. 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. Incorporating a social objective or other nonfinancial objective into recommendations, advice, and/or the selection of a third-party manager or sub-advisor to manage the investments will result in investments and recommendations/advice that are not solely focused on maximizing a financial return for you or your account(s). All investments involve risk, including the possible loss of principal. Past performance is no guarantee of future results.

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

With respect to TFA365, due to TFA’s, Fidelity’s and EAM’s interconnectivity with third party vendors, central agents, exchanges, clearing houses, and other financial institutions, TFA, Fidelity, and EAM could be adversely impacted if any of the companies are subject to a cyber-attack or other information security event. Although TFA, Fidelity, and EAM take proactive measures and endeavor 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 ETF’s or fund’s true value, and losses of ETF and



fund assets.

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

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

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar 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's or instrument's credit quality or value. Lower quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer.

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

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

**Tactical Asset Allocation Risk:** Tactical asset allocation is an investment strategy that actively adjusts a strategy's asset allocation. A strategy's tactical asset management discipline may not work as intended. A strategy may not achieve its objective and may not perform as well as other strategies using other asset management styles, including those based on fundamental analysis (a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial, and other factors) or strategic asset allocation (a strategy that involves periodically rebalancing the fund in order to maintain a long-term goal for asset allocation). 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 experienced four disciplinary events that are material to your evaluation of us. Two of the 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 issued 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 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® 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 settled this matter with the SEC. TFA agreed to a censure, to pay a penalty of \$800,000, to pay disgorgement of \$1.7 million plus \$258,162 in pre-judgment interest, and to cease and desist from violating certain securities laws and regulations. The disgorgement, interest and penalties have been paid to a Fair Fund (“Fund”) for eventual distribution to affected investors who purchased or held an interest in the AUIM and F-Squared strategies in the Transamerica I-Series® and Transamerica® ONE programs from July 2011 through

June 2015. The Order states that these investors are to receive from the Fund an amount related to the pro rata fees and commissions paid by them during that period, plus interest, subject to a de minimis threshold.

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

- 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. TFA also failed to establish, maintain, and enforce a supervisory system and written supervisory procedures with respect to the sale of non-traded REITs and BDCs.

#### **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 Portfolio Managers available in TFA's advisory programs. Based on TFA's affiliation with various investment companies and 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 portfolio 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. If the Manager is affiliated this may result in a conflict of interest. TFA mitigates this conflict by monitoring the appropriateness of the recommendations made to you by TFA Advisors on all advisory services you purchase including any affiliated money manager.

#### **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 under which TFA is compensated for selling these products. TCL is also a wholesale distributor of Transamerica products. Such compensation creates 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 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, its registered representatives 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”)
- 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 *Disclosures - Revenue Sharing Arrangements and Payments by Sponsoring Companies Client Disclosure Statement*. These revenue sharing payments create a conflict of interest for TFA, its registered representatives and its Advisors. Your Advisor does not receive any portion of the revenue sharing. All revenue sharing compensation is paid directly to TFA. TFA mitigates this conflict by monitoring the appropriateness of the recommendations made to you by 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. (d/b/a 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, the 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 (together “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 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**

TFA’s supervisory structure includes Regional Branch Managers (“RBMs”) located in various field offices and the Home Office Supervision Department. Field RBMs are responsible for general day-to-day supervision of all Advisors assigned to their branch office. Home Office supervisory personnel supervise the offering of advisory programs by Advisors and sale of

securities products by TFA's registered representatives. The appropriate supervisor conducts reviews of client account for conformity with company policy and procedures.

You should review your account(s) with your Advisor at least one time each year. Your Advisor will undertake reasonable efforts to contact you to discuss your current financial situation and investment objectives to determine whether the account continues to meet your investment objectives and is still suitable.

You and your Advisor can access account statements, and trade confirmations from the Fidelity website. If you wish to receive paper statements, you can request those documents for an additional fee. TFA urges you to carefully review these account statements, and trade confirmations. The information in your TFA365 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 NFS.

From time-to-time investors in TFA advisory programs may receive Albridge Personalized Account Statements directly from their advisors. These statements may include lists of your account holdings, including, mutual funds and securities, but are not official account statements. We urge you to compare these reports to the official account statements of your account holdings provided to you at least quarterly by NFS to ensure that the mutual fund and securities holdings listed on these reports provided by your Advisor match the mutual fund and securities holdings reflected on the official account statements.

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

In certain cases, third-party money managers ("TPMMs"), Portfolio Managers, 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, Portfolio Managers or other service providers to TFA will not affect your account, the services provided to you, the fee for advisory services or other service provider, or the compensation paid by TFA to your Advisor. The existence of a marketing compensation agreement with TPMMs, Portfolio Managers or other service providers creates a conflict of interest for your Advisor and TFA. TFA will earn more revenue due to such marketing compensation agreements, and although the marketing compensation is not shared with your Advisor, your Advisor may indirectly benefit from this additional revenue through different educational and marketing initiatives conducted by TFA to promote these services. All marketing compensation is paid directly to TFA.

Each of the TPMMs, Portfolio Managers, 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, Portfolio Manager, 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.

Advisors, if they are licensed with World Financial Group Insurance Agency, LLC, are permitted to participate in award and incentive programs sponsored by the same in which they could receive trips, promotions or non-cash compensation based on their insurance sales as insurance agents. These events may influence their decision to recommend a particular insurance product to you in their capacity as an insurance agent for consideration.

Additional information regarding conflicts of interest can be found in TFA's Client Relationship Summary and at [www.tfaconnect.com/Disclosures](http://www.tfaconnect.com/Disclosures). A copy of these disclosures can also be requested by calling TFA at (770) 248-3271.

### **Voting Client Securities (Proxy Voting)**

When you open a TFA365 account, you are responsible for directing the manner in which proxies for the securities held in your account are voted. TFA and its Advisors do not vote proxies on behalf of our clients. Through Fidelity, you can elect to either directly perform proxy voting or delegate proxy voting, as applicable, to either the Implementation Manager or the discretionary Portfolio Manager to whom you have allocated your assets. If delegated by the you, the Implementation Manager or discretionary Portfolio Manager, as applicable, shall be responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on your behalf. You should review the proxy voting policies and procedures as described in the FIWA Form ADV Part 2A titled Fidelity Managed Account Xchange® and the discretionary Portfolio Manager's Form ADV Part 2A as applicable.

### **Financial Information**

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

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