

Program Description

Transamerica I-Series[®] is a separately managed account program, which uses strategic, alternative and tactical asset allocation models to establish an individualized client portfolio in accordance with the client's particular investment objectives and risk tolerance. Each I-Series client owns the underlying securities in his or her account.

Investment Objective

The Dorsey Wright Sector 4 Model is designed to gain exposure to the strongest relative strength sectors in the US through the use of nine Sector Momentum ETFs: PYZ, PEZ, PSL, PXI, PFI, PTH, PRN, PTF, and PUI. When equities are not in favor, the portfolio can reallocate to varying amounts of cash, up to 100%. This model may be considered by those who have an investment time horizon of 5+ years and are seeking to diversify investment strategies.

Investment Process

- A systematic, structured methodology of comparing the price performance of one security to another.
- Each security is ranked in comparison to the other inventory members.
- Relative Strength strategies attempt to capitalize on performance differences between asset classes or within asset classes.
- Directionless or narrow markets and markets with transitioning leadership tend to be periods when Relative Strength as a strategy will struggle.

Available Investments

- PowerShares DWA Basic Materials Momentum Portfolio (PYZ)
- PowerShares DWA Consumer Discretionary Momentum Portfolio (PEZ)
- PowerShares Consumer Staples Momentum Portfolio (PSL)
- PowerShares DWA Energy Momentum Portfolio (PXI)
- PowerShares DWA Healthcare Momentum Portfolio (PTH)
- PowerShares DWA Industrials Momentum Portfolio (PRN)
- PowerShares DWA Technology Momentum Portfolio (PTF)
- PowerShares DWA Utilities Momentum Portfolio (PUI)
- PowerShares DWA Financial Momentum Portfolio (PFI)
- Cash Position

At any given time, the model will invest in no more than four of the above.

Disclosure

The information found on this description page has been prepared without regard to any particular investor's investment objectives, financial situation, and needs. Accordingly, investors should not act on any recommendation (express or implied) or information in this report without obtaining specific advice from their financial advisors and should not rely on information herein as the primary basis for their investment decisions. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation or an offer to buy any securities or commodities mentioned herein. This document does not purport to be a complete description of the securities, commodities, market, strategy or developments to which reference is made.

About Dorsey, Wright and Associates

Dorsey, Wright and Associates is a registered investment advisory firm based in Richmond, Virginia. Since 1987, DWA has been an advisor to financial professionals on Wall Street and around the world. DWA's expertise is Point & Figure technical analysis, using Relative Strength as a core tactical engine for constructing its various managed products and research. Today, DWA is known for its technical market insights and dynamic investment solutions.

SECTOR 4 Portfolio Rules

- Evaluated Monthly*
- A matrix is created to compare investment candidates to one another.
- The sectors and cash are ranked from strongest to weakest based upon their tally rank within the matrix.
- The top 4 sectors are equally weighted
- At the end of each month, if a sector falls out of the top 4, it is sold and replaced with the highest ranking sector not already in the portfolio.
- If cash is the #4 slot, it receives a weighting of 25%. For each slot it moves up, an additional 25% is allocated to cash. If cash is the #1 ranked asset class, it will receive a 100% weighting.
- Portfolio changes are transacted in a "replacement" method, and rebalanced only when a position drifts materially from its target allocation. **
- On each replacement, the weightings of the positions are examined. If any one sector position is more than 32%, or less than 18%, the portfolio change is made and all positions are rebalanced back to 25% each or its target weight, in the case of cash.

** The annual number of rebalances for this strategy will vary.*

*** This portfolio is not designed for short-term trades, as it is structured to identify and capture long term leadership trends in the market.*

Disclosures

Relative Strength is a measure of price momentum based on historical price activity. The relative strength strategy is NOT a guarantee. There may be times where all investments and strategies are unfavorable and depreciate in value. Past performance is not indicative of future results. Potential for profits is accompanied by possibility of loss. You should consider this strategy's investment objectives, risks, charges and expenses before investing.

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Exchange Traded Funds and Exchange Traded Notes

An Exchange Traded Fund is an investment product that allows an investor to buy and sell shares in a single security that represents a fractional ownership of a portfolio of securities. ETFs hold a basket of securities and are typically designed to replicate the performance of an established index. ETFs are inherently transparent, as their holdings are published daily. ETFs are listed on a national exchange and can be bought and sold like common stocks throughout the trading day. Retail investors generally cannot purchase or redeem ETF shares from the issuing fund company. An Exchange Traded Note is a common name for a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark, less investor fees. ETNs are similar to ETFs in that they are listed on an exchange and can be bought and sold throughout the trading day.

ETF Characteristics

- Liquidity from intraday trading
- Can provide broad coverage of market sectors
- May trade at a premium or a discount
- Subject to market and exchange conditions

More About ETFs

- Traditionally have lower management fees than mutual funds
- Typically generate fewer capital gains than mutual funds
- Index based ETFs, due to their passive management style, tend to have minimal style drift.

The securities that will be purchased using this model portfolio are subject to market risk and an investor may experience loss of principal. For a complete description of all fees, costs, and expenses, please refer to the ADV Part 2A and/or Appendix 1.

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