

TRANSFORM YOUR TOMORROWSM



DEFINED BENEFIT ASSET ALLOCATION STRATEGIES GUIDE

For Traditional DB and Cash
Balance Plans



Information

This Defined Benefit (DB) Asset Allocation Strategies Guide was developed by Transamerica Retirement Solutions¹ as a companion piece to:

- Defined Benefit Asset Allocation Strategies for Traditional Defined Benefit and Cash Balance Plans Brochure
- Defined Benefit Asset Allocation Strategies Questionnaire for Traditional DB or Cash Balance Plans



How to Use this Asset Allocation Guide

Based on the way the plan sponsor responds to the Asset Allocation Strategies Questionnaire, our model provides three possible investment portfolios which can be found in the following pages of this guide. For a given plan, there is a range of possible investment portfolios that may be appropriate. The sponsor should review these three options to determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

Please refer to and complete the Questionnaire before using this Guide.

Why Transamerica?

For more than 75 years¹, Transamerica Retirement Solutions and its affiliates have been dedicated exclusively to providing customized retirement plan services to employers. Transamerica currently services over 21,000 plans, with \$91 billion of assets under management and more than three million participants.³ This singular focus enables us to continually develop innovative strategies to help our clients more efficiently manage their retirement plans—including services for defined benefit, defined contribution, and non-qualified deferred compensation plans. Not only do we have a depth of expertise across all these plan types, we've amassed a breadth of experience working with all different kinds of organizations.

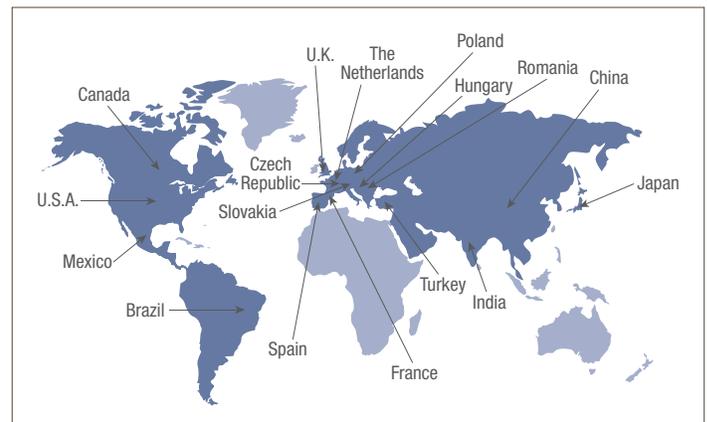
As one of the top retirement plan providers,² Transamerica services over 375 defined benefit plans and has more than \$20 billion in defined benefit plan assets.³ Of these defined benefit plans, our emerging markets group services over 150 small plans and has more than \$1.5 billion in assets with a client retention rate of 98%.³

About AEGON

Transamerica Financial Life Insurance Company and Transamerica Life Insurance Company are Aegon companies.¹ Aegon is one of the world's leading life insurance and pension groups, and a provider of investment products. Aegon empowers local business units to identify and provide products and services that meet the evolving needs of customers, using distribution channels best suited to local markets. Aegon takes pride in balancing a local approach with the power of an expanding global operation.

With headquarters in The Hague, the Netherlands, Aegon companies employ more than 25,000 people worldwide. Aegon's businesses serve millions of customers in over twenty markets throughout the Americas, Europe, and Asia, with major operations in the United States, the Netherlands, and the United Kingdom.

Respect, quality, transparency, and trust constitute Aegon's core values as the company continually strives to meet the expectations of customers, shareholders, employees, and business partners. Aegon is driven to deliver new thinking with the ambition to be the best in the industry.



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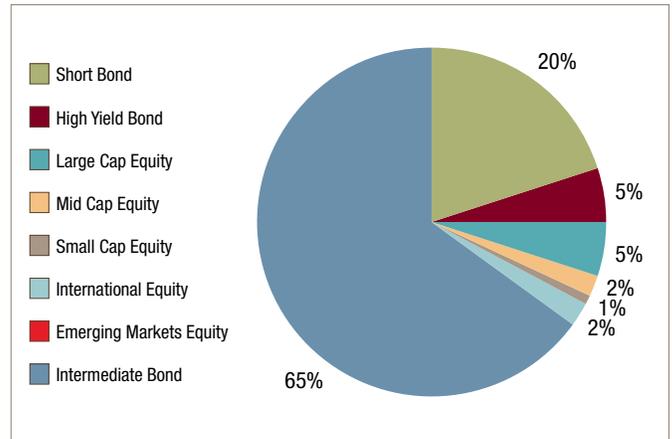
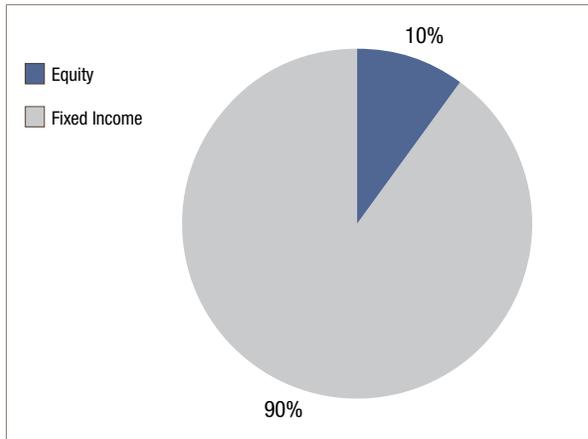
Not FDIC Insured	No Bank Guarantee	May Lose Value
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Sample Investment Allocations - Cash Balance Plans

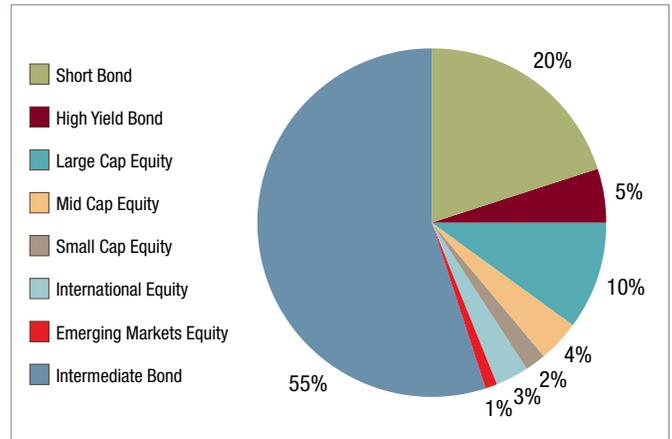
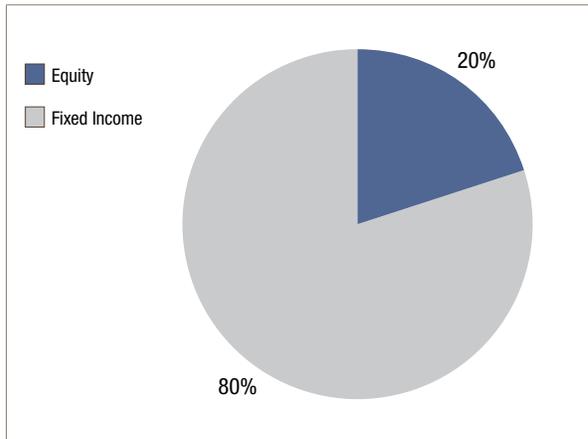
Based on the responses to the Defined Benefit (DB) Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 0-1 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

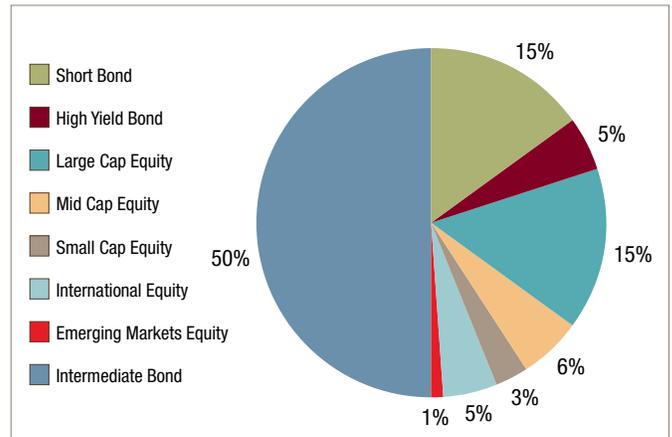
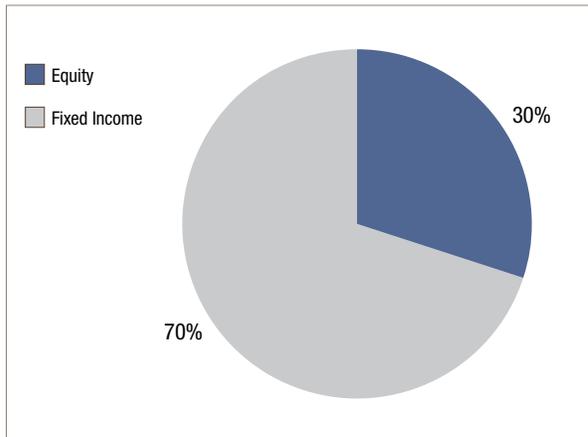
Option A:



Option B:



Option C:

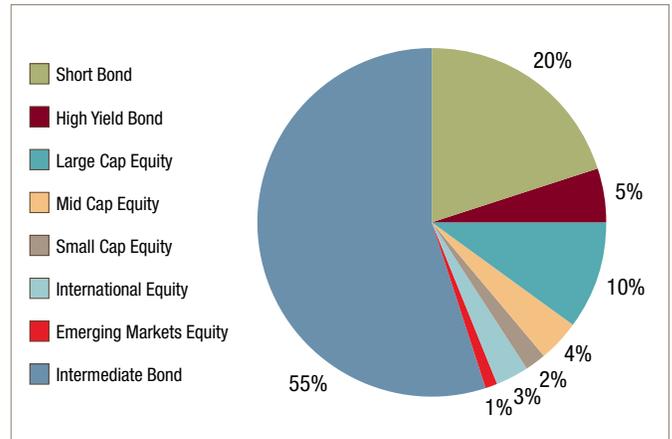
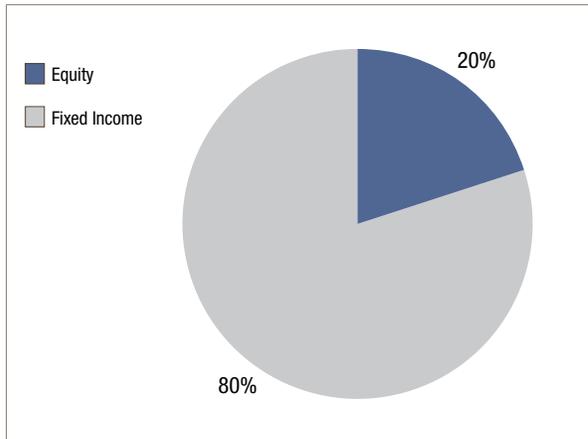


Sample Investment Allocations - Cash Balance Plans

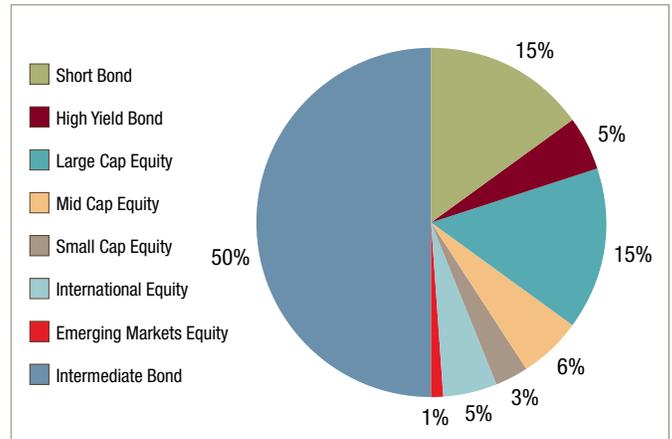
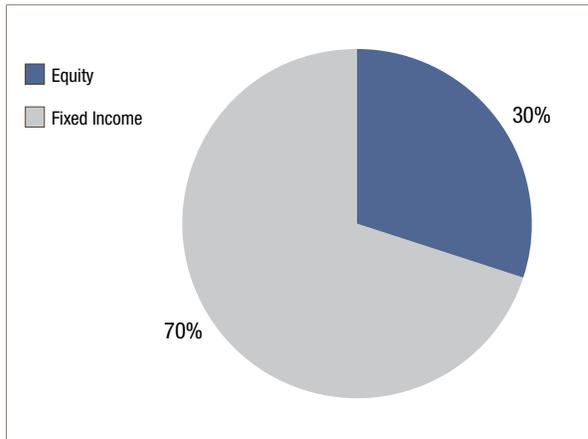
Based on the responses to the Defined Benefit Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 2-3 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

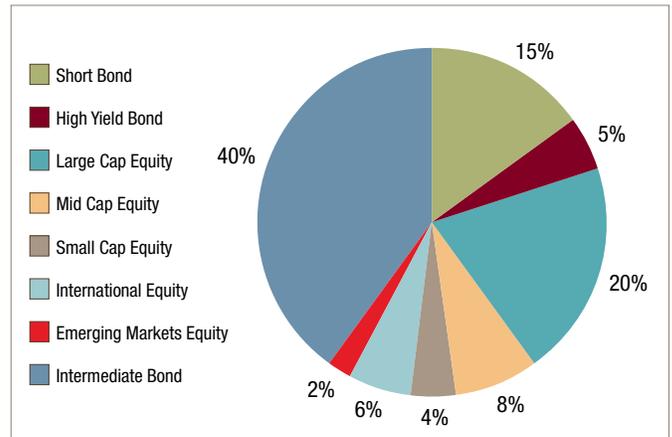
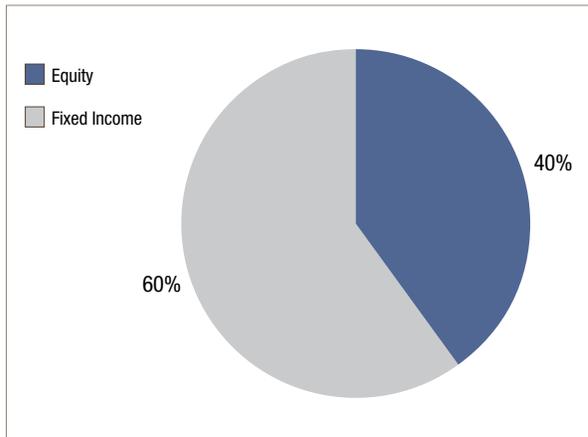
Option A:



Option B:



Option C:

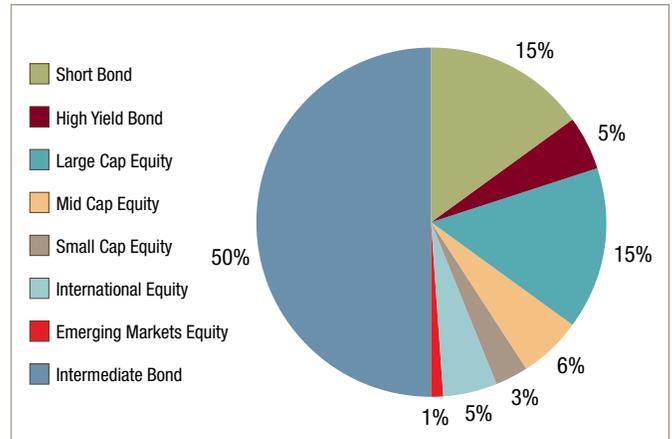
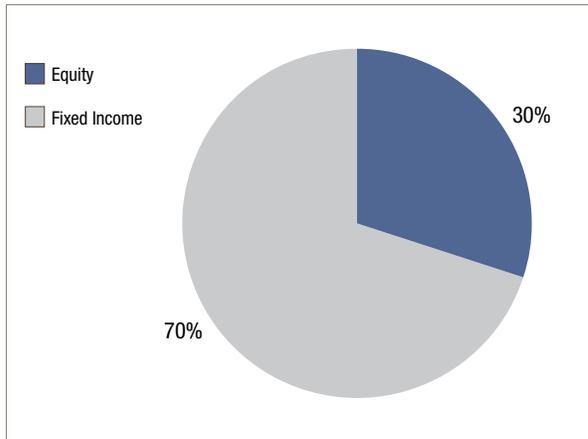


Sample Investment Allocations - Cash Balance Plans

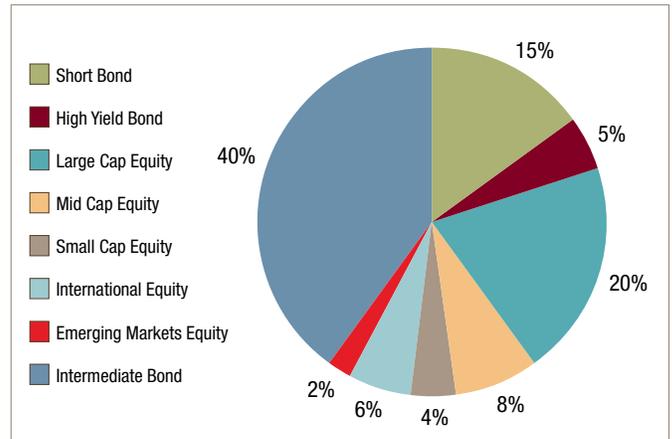
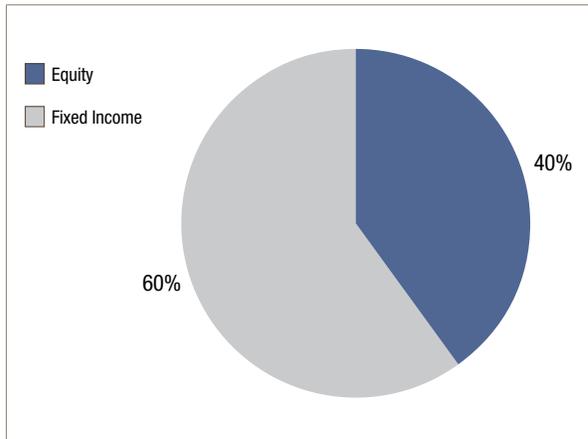
Based on the responses to the Defined Benefit Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 4-6 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

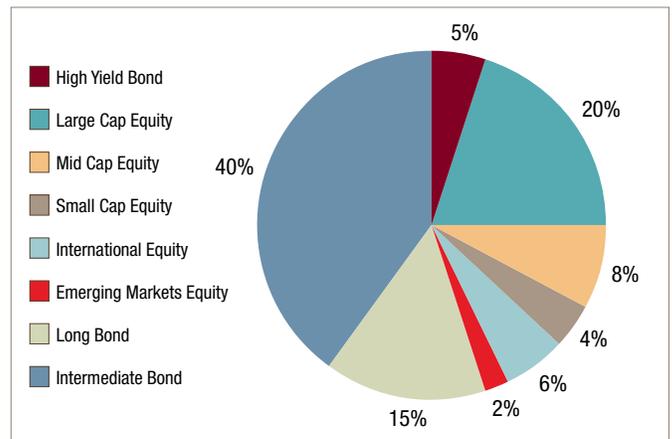
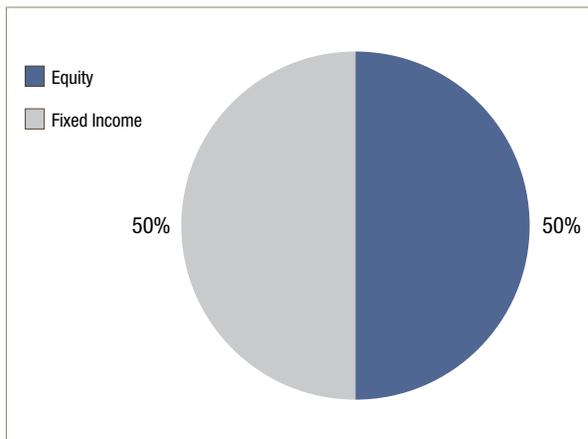
Option A:



Option B:



Option C:

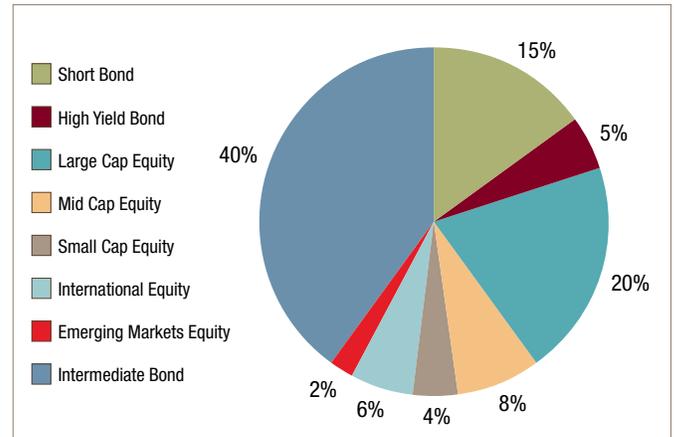
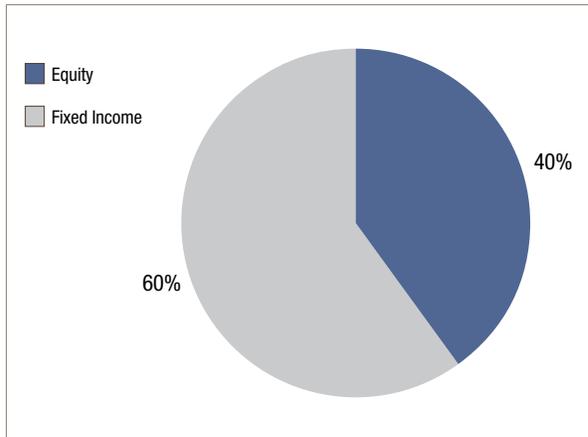


Sample Investment Allocations - Cash Balance Plans

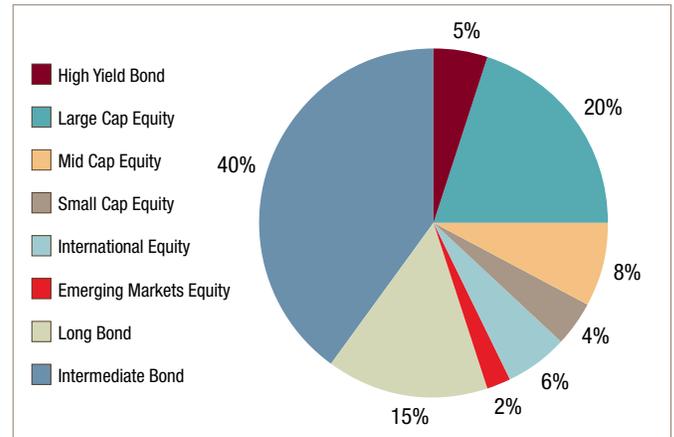
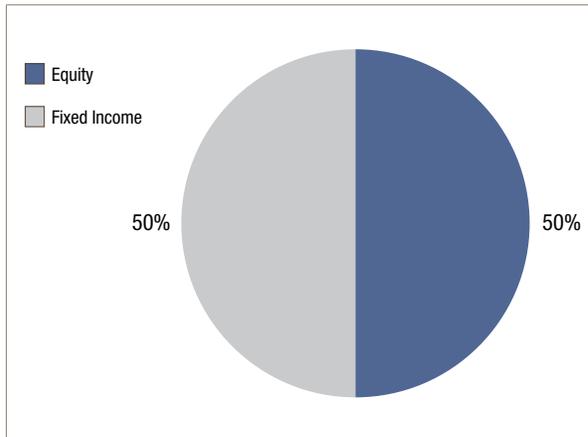
Based on the responses to the Defined Benefit Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 7-8 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

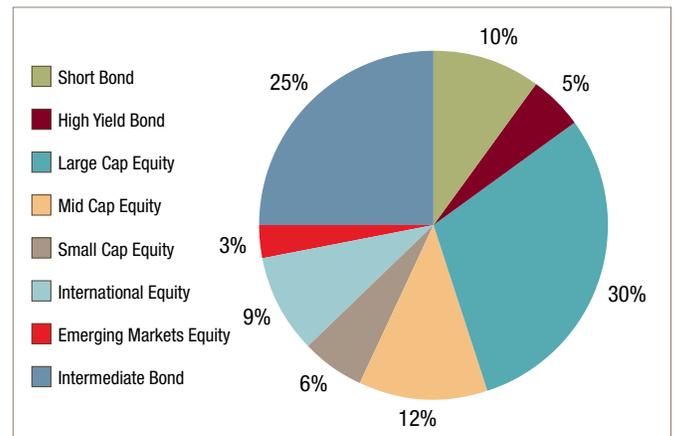
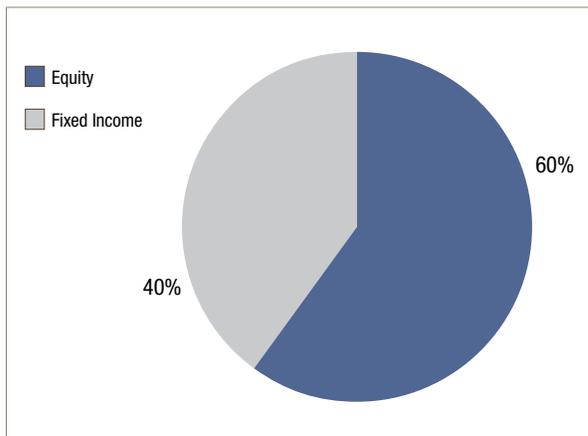
Option A:



Option B:



Option C:

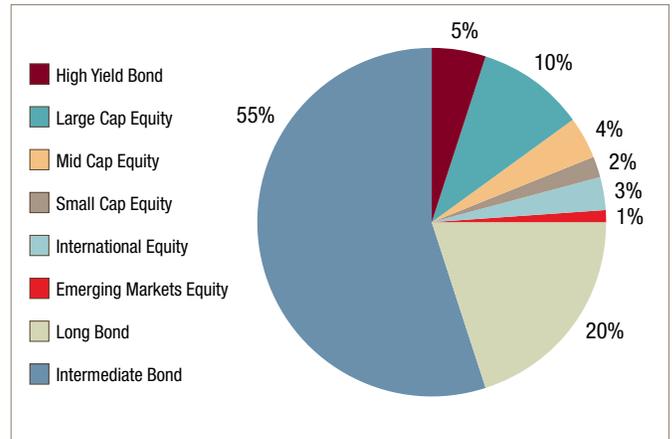
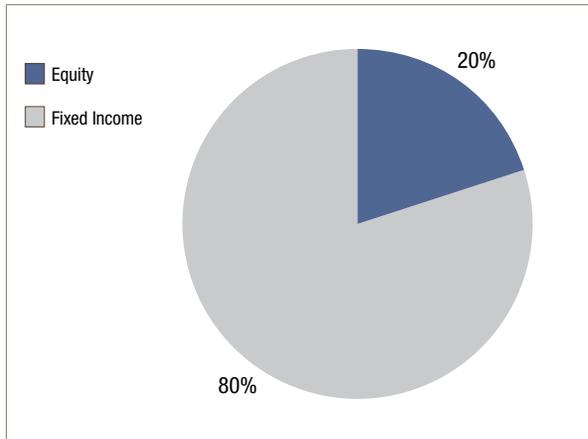


Sample Investment Allocations - Defined Plans

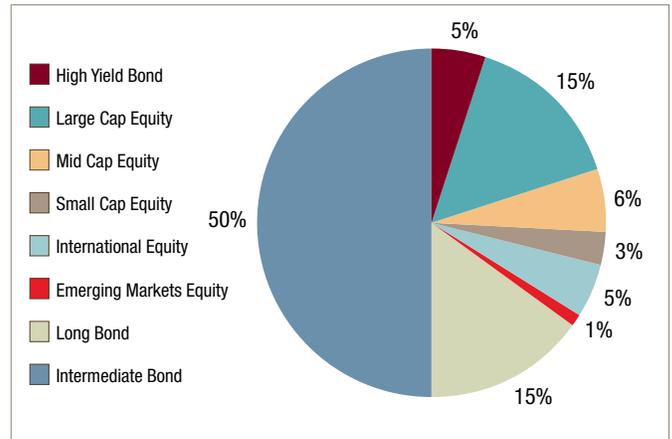
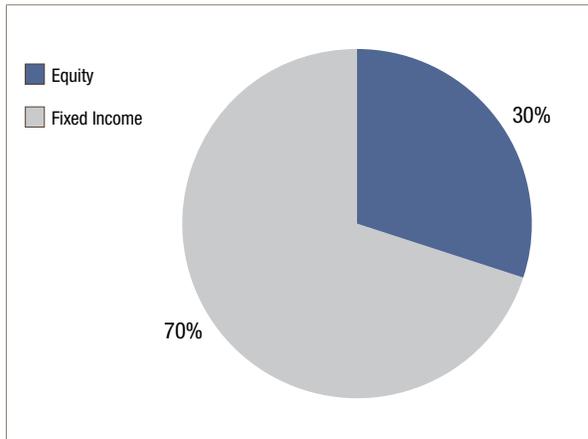
Based on the responses to the Defined Benefit Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 50-51 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

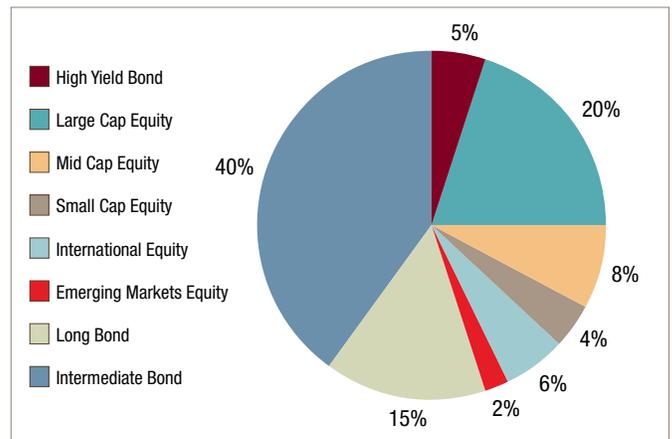
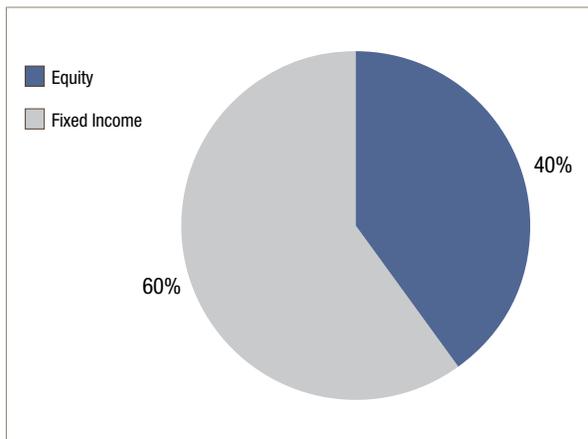
Option A:



Option B:



Option C:

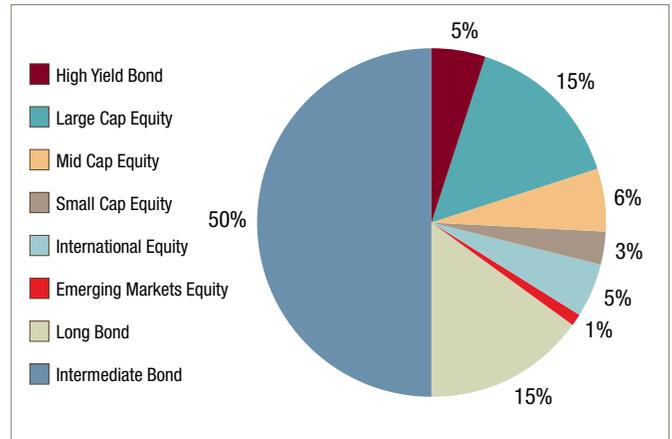
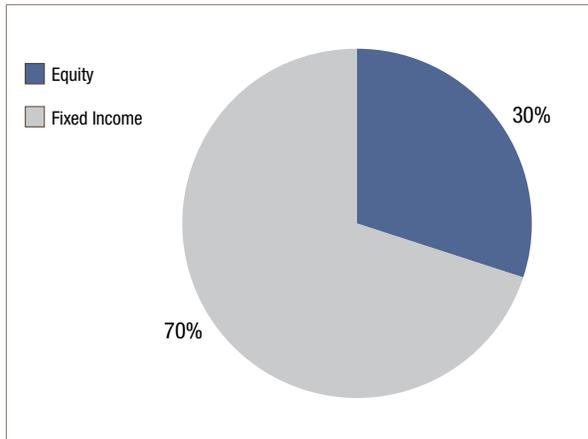


Sample Investment Allocations - Defined Plans

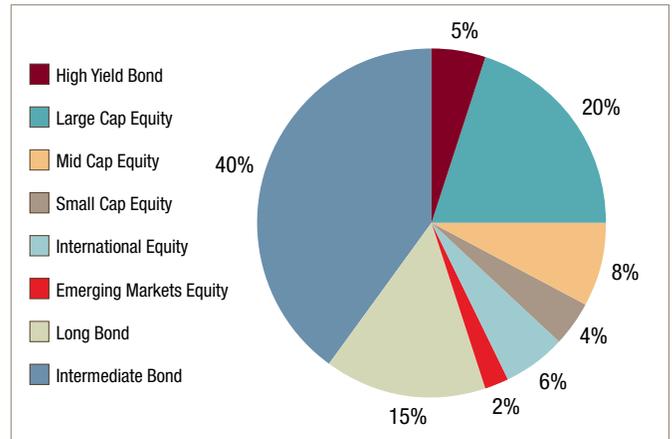
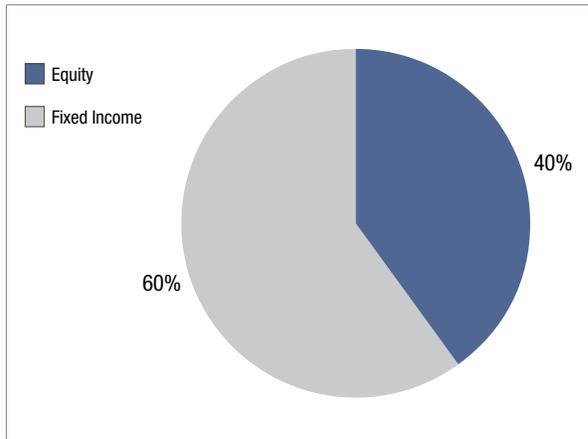
Based on the responses to the Defined Benefit Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 52-53 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

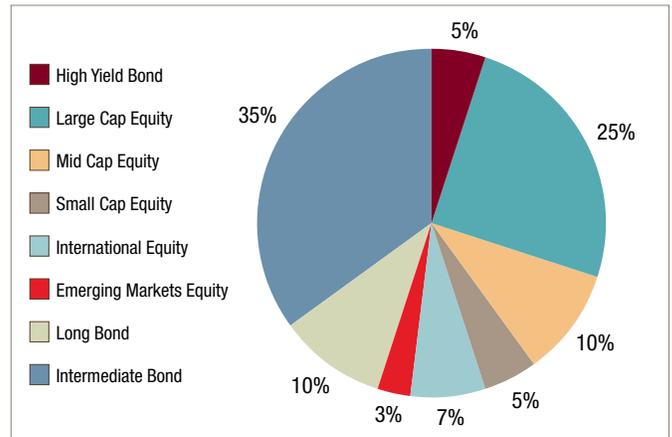
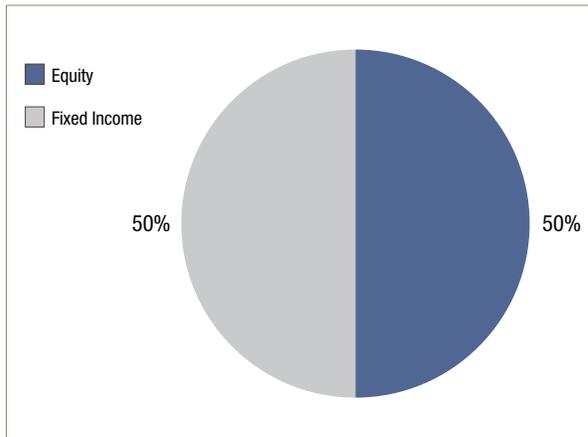
Option A:



Option B:



Option C:

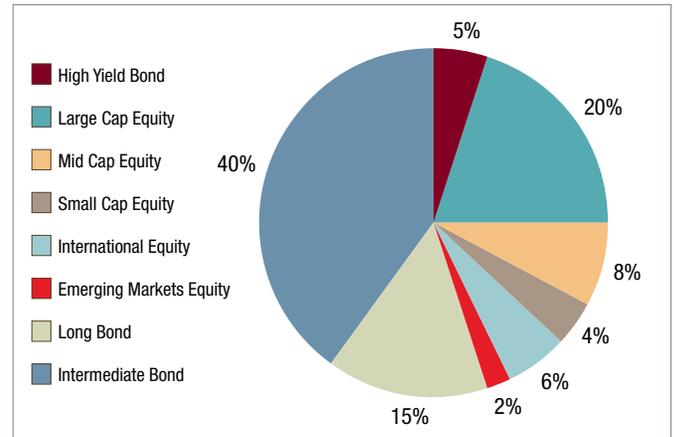
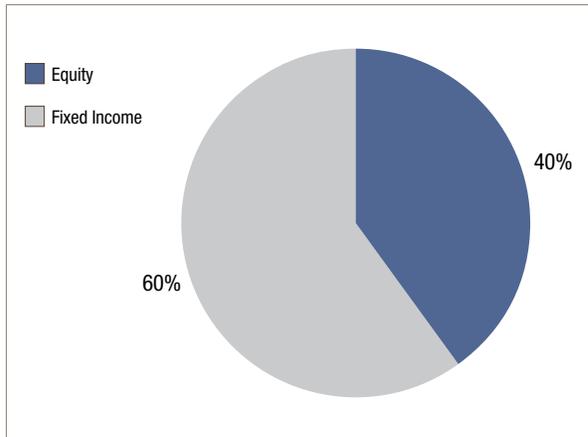


Sample Investment Allocations - Defined Plans

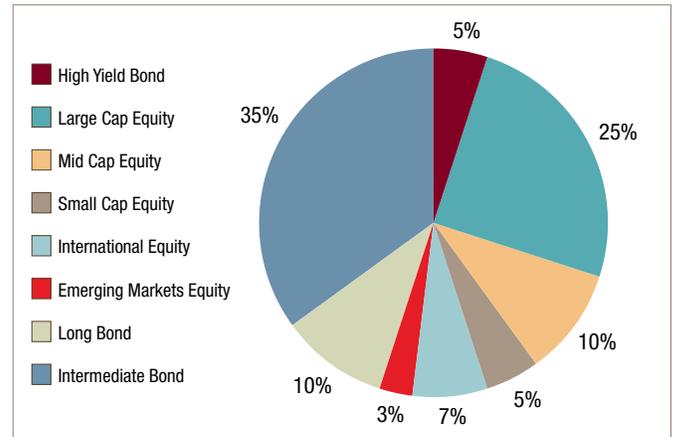
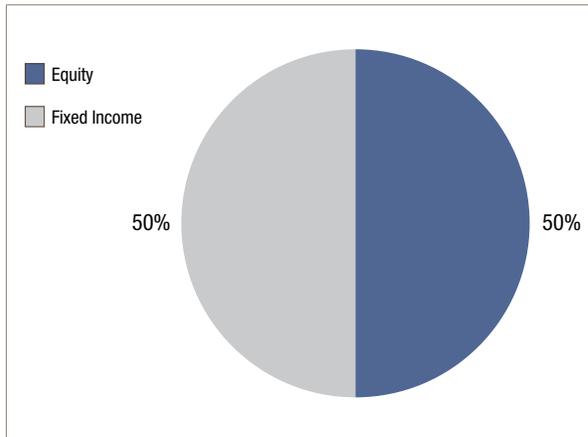
Based on the responses to the Defined Benefit (DB) Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 54-56 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

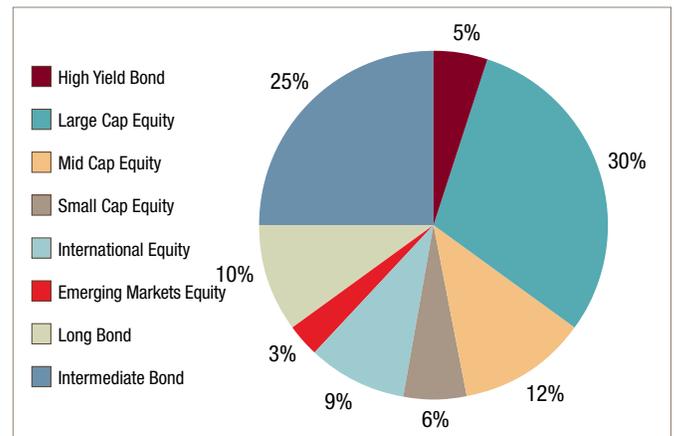
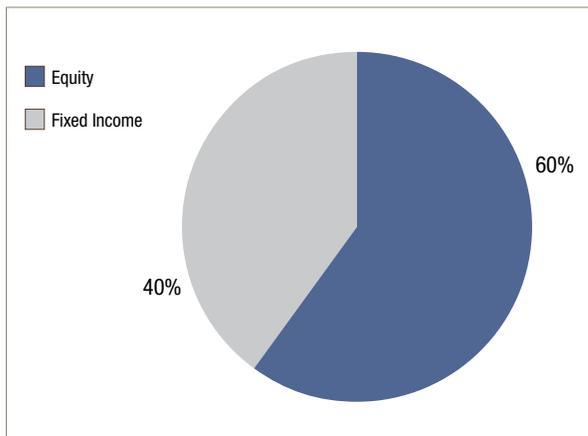
Option A:



Option B:



Option C:

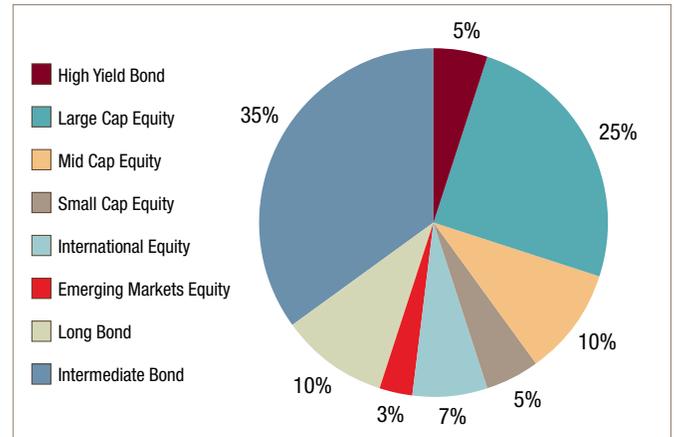
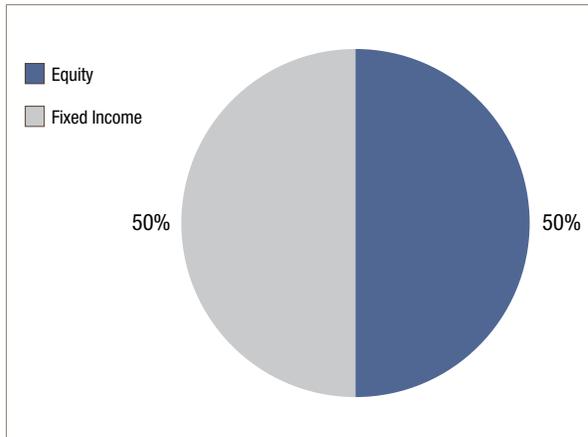


Sample Investment Allocations - Defined Plans

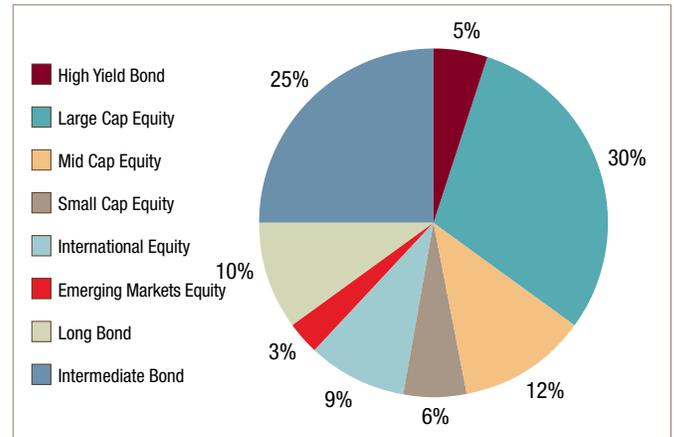
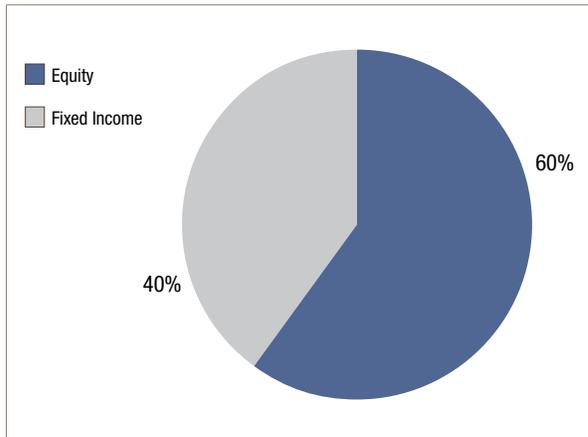
Based on the responses to the Defined Benefit (DB) Asset Allocation Strategies Questionnaire for traditional DB or cash balance plans, below are three possible investment portfolios that may suit the plan if you scored **between 57-58 points**.

The plan sponsor should review these three options with its investment advisor determine which model, if any, best fits the plan's characteristics. Periodically, as part of the plan sponsor's investment fiduciary process, the plan sponsor should review its plan design, investment horizon, funded status, desire to make future contributions, and risk tolerance, to ensure that the asset allocation is still appropriate.

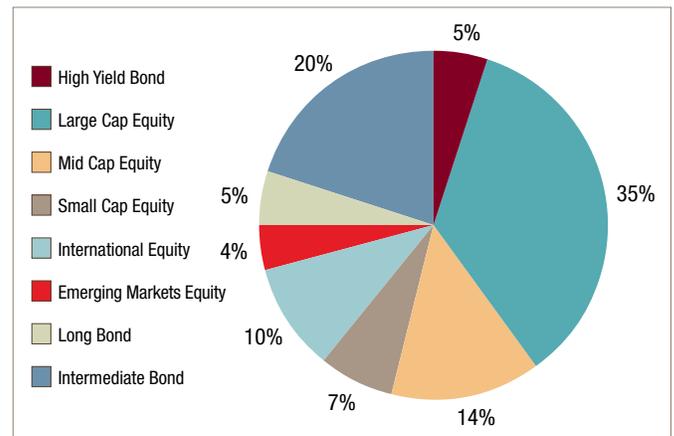
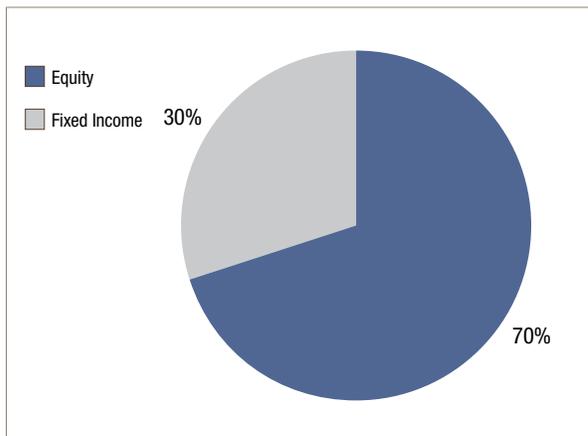
Option A:



Option B:



Option C:



Dedicated Plan Sponsor Services

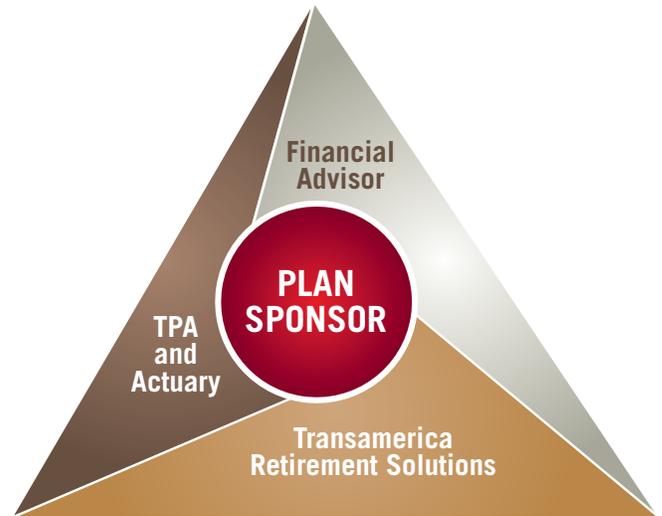
- Every year, Transamerica representatives can participate in plan investment committee meetings to help sponsors meet their fiduciary responsibilities.⁵
- Customized investment review materials provided for the plan sponsors.*
- Sponsor-directed reallocation can occur the same day if the request is received by 1 p.m. PT.
- Combined DB/DC participant statements.
- Dedicated plan sponsor service teams.
- Dedicated payee call center with multilingual support.

Fiduciary Management Tools

- The Transamerica Fiduciary Management tool provides a range of tools to help you satisfy the investment portion of your fiduciary responsibility which can give peace of mind to your plan's fiduciaries.⁶
- Transamerica Proprietary Investment Scorecards displays the analysis conducted using Transamerica's process to help plan sponsors fulfill their own due diligence obligations.⁶



Total Defined Benefit Support



The Importance of a TPA

TPAs provide the following services:

- Help the plan sponsor design a defined benefit plan for its employees.
- Conduct compliance testing.
- Assist with annual Form 5500 reporting.
- Actuarial services.

The Importance of a Financial Advisor

Financial advisors provide the following services:

- Act as an invaluable adviser in selecting the appropriate retirement plan provider.
- Help develop a plan's investment policy statement (IPS).
- Supply the education and guidance for plan sponsors to be able to navigate asset allocation strategies appropriate for the plan.
- Assist with the selection of funds for the plan's investments.

For more information on establishing a traditional defined benefit or cash balance plan or for engaging Transamerica as a service provider, call us today at 888-401-5826, between the hours of 9 a.m. to 7 p.m. ET, or visit us at trsretire.com.

⁵Transamerica Retirement Solutions does not provide investment advice and does not act as a fiduciary. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation.



Disclosures

Transamerica Retirement Solutions Corporation is an affiliate of Transamerica Investors Securities Corporation (TISC). Securities are offered by TISC, 440 Mamaroneck Avenue, Harrison, NY 10528.

The sample portfolios above should be used as a tool for determining the asset allocation that is best suited for your particular pension plan and should not be considered investment advice. Asset allocation and diversification strategies do not assure or guarantee better performance and cannot eliminate the risk of investment losses. All investments involve risk, including loss of principal, and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing. Transamerica Retirement Solutions and its representatives cannot give ERISA, tax, investment, or legal advice. This material is provided for informational purposes only based on our understanding of material provided and should not be construed as ERISA, tax, investment, or legal advice. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here. Although care has been taken in preparing this material and presenting it accurately, Transamerica Retirement Solutions disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

Transamerica Retirement Solutions does not provide investment advice and does not act as a fiduciary. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation.

1. Plan-related recordkeeping services are provided by Transamerica Retirement Solutions Corporation (“Transamerica” or “Transamerica Retirement Services”). The investment choices are available through a contract issued by Transamerica Financial Life Insurance Company (“TFLIC”), TA-AP-2001-CONT, or Transamerica Life Insurance Company (“TLIC”), CNT-TLIC 10-05. Transamerica is an affiliate of TFLIC and TLIC. TFLIC is not authorized and does not do business in the following jurisdictions: Guam, Puerto Rico, and the U.S. Virgin Islands. TLIC is not authorized in New York and does not do business in New York. Contract form and number may vary, and these investment choices may not be available in all jurisdictions. Fees and charges may apply. For complete information, contact your Transamerica representative.
2. Transamerica Retirement Solutions received 56 “Best in Class” Cups for sponsor and participant services in *PLANSPONSOR*® Magazine’s annual Defined Contribution Survey of retirement plans. The 56 “Best in Class” designations—16 in the <\$5 million market, 17 in the \$5 million to \$10 million market and 23 in the \$10 million to \$50 million market—rank Transamerica Retirement Solutions among the top cup recipients of the 35 providers evaluated in the micro- and small-plan markets. The results of the Defined Contribution Survey were announced in the November 2012 issue of *PLANSPONSOR*® Magazine. The survey polled 5,930 clients of 37 defined contribution plan providers. “Best in Class” Cups are awarded to plan providers who score in the top quartile of a specific category. See the November 2012 issue of *PLANSPONSOR*® Magazine for complete results. Transamerica Retirement Solutions Corporation was formerly known as Transamerica Retirement Services Corporation and Diversified Retirement Corporation.
3. As of December 31, 2012.
4. Dedicated Client Relationship Associates and Client Relationship Managers are available for defined benefits plans with over \$1 million in assets.
5. Minimum balance of at least \$5,000,000 in defined benefit assets is required for in-person participation. For clients with less than \$5,000,000 in defined benefit assets, conference call participation only is available.
6. Transamerica performs investment selection and monitoring due diligence related to the investment choices on Transamerica’s platform as a normal part of its business. Clients and other interested parties must consult and rely solely upon their own independent advisors regarding their particular situation. All investments involve risk, including loss of principal and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing. This is not meant to be construed as investment advice. Transamerica is not a fiduciary with respect to the plan as defined

by ERISA including sections 3(21), 3(38) or 3(16), nor it is responsible for a plan’s selection, monitoring or de-selection of investments. Although the investment choices may meet the “significantly exceeds,” “meets/exceeds,” or “below” criteria, there are no guarantees of a profit and it is still possible to lose money from that investment choice. Transamerica Retirement Solutions does not provide investment advice. Nothing presented herein should be construed as a recommendation to purchase or sell a particular investment, product or follow any investment technique or strategy. Transamerica Retirement Solutions does not act as a fiduciary.

Bond: The values of bonds change in response to changes in economic conditions, interest rates and the creditworthiness of individual issuers. Investment choices that invest in bonds can lose their value as interest rates rise and an investor can lose principal.

High Yield Bond: The investor should note that investment choices that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

Large Cap Equity: Historically, common stocks have provided greater long-term returns and have entailed greater short-term risks than other investment choices. Smaller or newer issuers carry more risk than larger, more established issuers.

Mid Cap Equity: Historically, common stocks have provided greater long-term returns and have entailed greater short-term risks than other investment choices. Smaller or newer issuers carry more risk than larger, more established issuers.

Small Company Equity: The investor should note that investment choices that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

International Equity: The investor should note that investment choices that invest in foreign securities involve special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Specialty: The investor should note that investment choices that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

To find your best solution, call Transamerica now at **888-401-5826**
Monday through Friday 9 a.m. to 7 p.m. ET or visit **trsretire.com**.

For Plan Sponsor/Investment Professional Use Only.

TRS 5356AA-0413

