

# TA MADISON DIVERSIFIED INCOME

Service | 05/01/2011

## INVESTMENT OBJECTIVE

This investment option invests in a portfolio which seeks high total return through the combination of income and capital appreciation.

## KEY FACTS

<b>Investment Manager</b>	Transamerica Asset Management, Inc. (TAM)
<b>Lipper Category</b>	Mixed-Asset Target Alloc Consv Funds
<b>Portfolio Name</b>	Transamerica Madison Diversified Income VP**
<b>Primary Benchmark</b>	Bloomberg Barclays US Aggregate Bond Index
<b>Secondary Benchmark</b>	Russell 1000® Index
<b>Additional Benchmark</b>	Transamerica Madison Diversified Income VP Blended Benchmark

## SUB-ADVISER



Madison Asset Management, LLC (Madison)

## PORTFOLIO MANAGERS

John Brown, CFA  
Drew Justman, CFA  
Paul Lefurgey, CFA  
Mike Sanders, CFA  
Chris Nisbet, CFA

## FEES (%)

	Service
Gross Expense Ratio (%)	1.05
Net Expense Ratio (%)	1.05

Expense ratios shown reflect fee waivers, expense reimbursements, or expense recaptures, if any, which are at the discretion of the Investment Manager. Fee waivers and expense reimbursements are included in the Net Expense Ratio only. Expense recaptures are included in both the Gross Expense Ratio and the Net Expense Ratio.

## PORTFOLIO CHARACTERISTICS

Net Assets (all share classes)	\$180.51 Million	Beta (Service Class)	0.81
Number of Holdings	329	R-Squared (Service Class)	91.50
Portfolio Turnover (as of 12/31/2019)	25.00%	Standard Deviation (Service Class)	6.43
Alpha (Service Class)	-0.73		

Risk measures are in comparison to the fund's blended benchmark unless otherwise indicated. Based on the indicated class shares at NAV for the 3-year period. **Past performance is no indication of future results.**

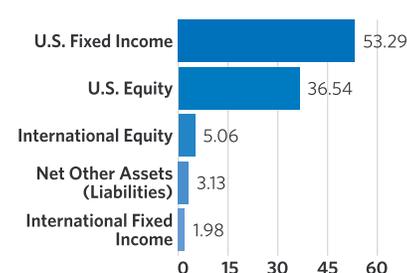
**Alpha** is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.

## TOP 10 HOLDINGS (%)

Home Depot, Inc.	1.95
U.S. Treasury Note, 1.62%, due 08/15/2022	1.88
Verizon Communications, Inc.	1.78
Comcast Corp., Class A	1.74
Johnson & Johnson	1.73
BlackRock, Inc.	1.47
Bristol-Myers Squibb Co.	1.44
Cisco Systems, Inc.	1.36
McDonald's Corp.	1.34
PepsiCo, Inc.	1.34
<b>Total</b>	<b>16.03</b>

Holdings are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities).

## ASSET ALLOCATION (%)



U.S. allocations may include U.S. territories and possessions. The Net Other Assets (Liabilities) category may include, but is not limited to, repurchase agreements, reverse repurchase agreements, security lending collateral, forward foreign currency contracts, and cash collateral.

# TA MADISON DIVERSIFIED INCOME

as of 09/30/2020

## INVESTMENT STRATEGY

Under normal circumstances, the portfolio's sub-adviser, Madison Asset Management, LLC (the "sub-adviser"), seeks to achieve the portfolio's investment objective by investing its assets primarily in a broad mix of securities including bonds, U.S. stocks, foreign stocks, and money market instruments. Bonds, stock and cash components will vary, reflecting the portfolio managers' judgments of the relative availability of attractively yielding and price stocks and bonds. Equity securities are chosen based on the size and growth potential of their dividends. Bonds (including investment grade and mortgage- or asset-backed) may constitute up to 100% of the portfolio's assets. Stocks (common, preferred and convertible bonds) may constitute up to 42% of the portfolio's assets. The portfolio does not intend to hold real estate or high yield securities.

The balance between the two strategies of the portfolio - i.e., fixed income investing and equity investing - is generally targeted at 60% fixed income and 40% equity, but is ultimately determined after reviewing the risks associated with each type of investment, with the goal of meaningful risk reduction as market conditions demand.

Growth stocks can be volatile and experience sharp price declines and certain types of stocks can be extremely volatile and subject to greater price swings than the broader market. The market prices of fixed-income securities may go up or down, sometimes rapidly or unpredictably due to general market conditions.

The Bloomberg Barclays US Aggregate Bond Index, Russell 1000® Index, and Transamerica Madison Diversified Income VP Blended Benchmark (60% Bloomberg Barclays US Aggregate Bond Index and 40% Russell 1000® Index) are unmanaged indices used as general measures of market performance. It is not possible to invest directly into an index.

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## SECTOR WEIGHTS (%)

U.S. Government Obligation	14.81
Financials	13.99
U.S. Government Agency Obligation	10.97
Health Care	9.58
Information Technology	8.49
Industrials	7.57
Consumer Staples	6.96
Consumer Discretionary	6.83
Communication Services	4.89
Asset-Backed Security	3.03

Sector weights display excludes net other assets (liabilities).

## TOP 10 COUNTRY WEIGHTS (%)

United States	89.83
Net Other Assets (Liabilities)	3.13
Switzerland	2.60
Ireland	1.63
United Kingdom	1.63
Canada	0.76
Japan	0.24
Multi-National	0.18

\*\*All facts, statistics and information presented are those of the underlying portfolio in which the investment option invests. This underlying portfolio is only offered as an investment option within a variable annuity contract.

Variable annuities are long-term tax deferred vehicles designed for retirement purposes. They offer three main benefits: tax-deferred treatment of earnings, guaranteed death benefit options, and guaranteed lifetime payout options. Variable annuities are subject to investment risk, including possible loss of principal.

The value of the variable annuity will fluctuate so that when surrendered, it may be worth more or less than the total of premium payments. Past performance is no guarantee of future results.

This portfolio is only offered as an investment option within a variable annuity contract.

There are other investment choices available with different management fees associated with each choice.

The COVID-19 pandemic has caused substantial market disruption and dislocation around the world including the U.S. During periods of market disruption, which may trigger trading halts, the fund's exposure to the risks described elsewhere in the prospectus will likely increase. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.

**You should consider a variable annuity's investment objectives, risks, charges, and expenses carefully before investing. Go to [www.transamerica.com](http://www.transamerica.com) for prospectuses containing this and other information. Please read them carefully.**