

# TA SMALL/MID CAP VALUE

**Initial** | 05/04/1993    **Service** | 05/03/2004

## INVESTMENT OBJECTIVE

This investment option invests in a portfolio which seeks to maximize total return.

## KEY FACTS

<b>Investment Manager</b>	Transamerica Asset Management, Inc. (TAM)
<b>Lipper Category</b>	Mid-Cap Value Funds
<b>Portfolio Name</b>	Transamerica Small/Mid Cap Value VP**
<b>Primary Benchmark</b>	Russell 2500™ Value Index

## SUB-ADVISER


Systematic Financial Management, L.P.  
(Systematic)

## PORTFOLIO MANAGERS

Kenneth Burgess, CFA

## SUB-ADVISER



Thompson, Siegel &amp; Walmsley LLC (TSW)

## PORTFOLIO MANAGERS

R. Michael Creager, CFA  
Brett P. Hawkins, CFA

## FEES (%)

	Initial	Service
Gross Expense Ratio (%)	0.83	1.08
Net Expense Ratio (%)	0.83	1.08

Expense ratios for Service Class shares are higher than Initial Class shares due to the inclusion of 12b-1 fees. 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)	\$445.47 Million	R-Squared (Service Class)	98.80
Number of Holdings	217	R-Squared (Initial Class)	98.80
Portfolio Turnover (as of 12/31/2019)	56.00%	Standard Deviation (Service Class)	22.04
Alpha (Service Class)	1.22	Standard Deviation (Initial Class)	22.02
Alpha (Initial Class)	1.50	Median Market Cap	\$2.78 Billion
Beta (Service Class)	0.95	Weighted Average Market Cap	\$9.04 Billion
Beta (Initial Class)	0.95	Price/Book Ratio	1.32

Risk measures are in comparison to the fund's primary 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.**

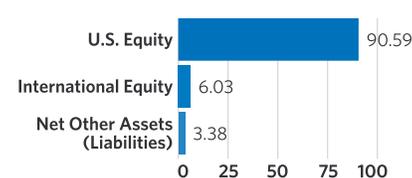
**Alpha** is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements 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. **P/B Ratio** is the ratio of the fund's market price to the most recently reported book value for the prior fiscal year.

## TOP 10 HOLDINGS (%)

UGI Corp.	2.04
Post Holdings, Inc.	1.74
OGE Energy Corp.	1.58
Dollar Tree, Inc.	1.54
Alleghany Corp.	1.49
Loews Corp.	1.40
Molson Coors Beverage Co., Class B	1.37
Alexion Pharmaceuticals, Inc.	1.36
Fidelity National Financial, Inc.	1.35
HD Supply Holdings, Inc.	1.30
<b>Total</b>	<b>15.17</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 SMALL/MID CAP VALUE

as of 09/30/2020

## INVESTMENT STRATEGY

The portfolio's sub-advisers, Systematic Financial Management, L.P. and Thompson, Siegel & Walmsley LLC (the "sub-advisers"), seek to achieve the portfolio's objective by investing, under normal circumstances, at least 80% of the portfolio's net assets (plus the amount of borrowings, if any, for investment purposes) in small- and mid-cap equity securities (U.S. equity securities, American Depositary Receipts ("ADRs") and foreign securities trading on U.S. markets).

The portfolio defines small- and mid-cap equities as companies whose market capitalization falls within the range of securities comprising the Russell 2000® Index and the Russell Midcap Index respectively, or within the range of the Russell 2500™ Index, whichever is broader at the time of purchase. Over time, the capitalizations of the companies in the index will change. As they do, the size of the companies in which the portfolio invests may change. As of December 31, 2019, the market capitalization range of securities comprising the Russell 2000® Index was between \$13 million and \$8.3 billion, the market capitalization range of securities comprising the Russell Midcap Index was between \$0.8 billion and \$78.7 billion, and the market capitalization range of securities comprising the Russell 2500™ Index was between \$13 million and \$20 billion.

The portfolio emphasizes investments in common stocks. The portfolio generally will invest in small- and mid-cap equities. Thompson, Siegel & Walmsley LLC is the sub-adviser for the mid cap sleeve. In the mid-cap sleeve the sub-adviser seeks to invest in companies it believes present a value or potential worth that is not recognized by prevailing market prices or that have experienced some fundamental changes and are intrinsically undervalued by the investment community. The sub-adviser's mid-cap value process uses a combination of quantitative and qualitative methods and is based on a four-factor valuation screen. Factors one and two of the screen attempt to assess a company's discount to private market value relative to other mid-cap stocks. The third factor considers the relative earnings prospects of the company. The fourth factor involves looking at the company's recent price action.

Systematic Financial Management, L.P. is the sub-adviser for the small cap sleeve. In the small-cap sleeve, the sub-adviser generally will invest in common stocks of companies with small capitalizations that are attractively valued and possess low price cash flow ratios or, in the case of certain financial stocks, low price/earnings ratios and/or low price/book ratios. The sub-adviser's security selection process generally favors companies with strong operating cash flow, strong free cash flow, limited financial leverage and strong debt coverage. Trends in balance sheet items including inventories, accounts receivable, and payables are scrutinized as well. The sub-adviser also reviews the company's products/services, market position, industry condition, financial and accounting policies and quality of management.

The portfolio's investment methodology unifies what both sub-advisers deem to be the best attributes of quantitative screening and fundamental research in an integrated and repeatable process designed to outperform the Russell 2500™ Value Index over the long term. Therefore, under normal market conditions, cash and cash equivalents are generally less than 5% of the portfolio value.

The portfolio may invest up to 10% of its total assets in the securities of foreign issuers, including ADRs and foreign securities trading on U.S. markets. The portfolio may also invest in real estate investment trusts ("REITs"), and may invest up to 5% of its total assets in exchange traded funds ("ETFs").

## SECTOR WEIGHTS (%)

Financials	17.01
Information Technology	12.56
Industrials	11.76
Consumer Discretionary	10.76
Health Care	9.79
Utilities	9.14
Communication Services	7.06
Consumer Staples	6.23
Materials	4.87
Real Estate	4.35

Sector weights display excludes net other assets (liabilities).

## TOP 10 COUNTRY WEIGHTS (%)

United States	90.59
Net Other Assets (Liabilities)	3.38
Ireland	1.95
Bermuda	1.41
Israel	0.77
Switzerland	0.76
Republic of Korea	0.51
Taiwan	0.50
United Kingdom	0.13

The Russell 2500™ Value Index is an unmanaged index used as a general measure of market performance. It is not possible to invest directly into an index. Russell® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group companies.

Investing in small- and medium-size companies involves greater risk than is customarily associated with more established companies. The securities of small and mid capitalization companies are subject to higher volatility than larger, more established companies.

\*\*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.

A number of investment options, or subaccounts, are available under the variable annuity.

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.**