



# Transamerica ALPHA

Digital Investment Program

## Frequently Asked Questions



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## **First Steps**

**Q: How do I get started with the Transamerica ALPHA program?**  
**A:** You will need to complete TFA's training modules and register with Betterment, the platform provider for the Transamerica ALPHA program

Instructions on how to access the Transamerica ALPHA training modules:  
<https://www.brainshark.com/aegon/vu?pi=zIZzywm2wzG7Upz0>

**Q: What is the licensing requirement for the Transamerica ALPHA program?**  
**A:** Series 65, or Series 7 and 66

**Q: Why am I not able to see the training link?**  
**A:** Reps must be properly licensed, be in good standing with the firm, and not have any outstanding deficiencies.

## **Registering with Betterment, Our Platform Provider**

**Q: How do I register with Betterment?**  
**A:** Once you have completed the last training module, *TA General Instructions*, the link to register with Betterment will be provided. Simply click on the link, submit the requested information, and you're all set! Please allow 24-48 hours for your access to the Betterment website to be granted.

**Q: What email address should I use when registering with Betterment?**  
**A:** You may only use your approved TFA email address when registering with Betterment.

**Q: Do I need to submit a 407 letter when registering with Betterment as an advisor?**  
**A:** No, TFA has made a special arrangement with Betterment to provide a blanket 407 letter that covers all of our advisors and registered reps opening an account on Transamerica ALPHA.

**Q: How do I split business with another advisor?**  
**A:** At this time, you are not allowed to split business with another advisor. We are currently working to allowing split business and expect this to be an enhancement in the near future.

## **Prospecting for Clients**

**Q: Where can I find the email templates used to prospect for clients?**  
**A:** Campaign Manager powered by Outstand (Formerly known as Ace of Sales). After logging into mywfg.com, select Campaign Manager from the Tools, Sales & Service menus.

**Q: How do I send an email to invite a prospect to the program?**

**A:** Get the compliance approved email template from Campaign Manager powered by Outstand. Provide your unique invite link from the Betterment website (under the Clients tab, click on Invite Client – the invite link is provided on the resulting page). Attach your ADV Part 2B to the email, and send it to your prospect from your approved TFA email account. You should consider sending the email invitation securely as your ADV Part 2B contains your personal information. If you are using TFA's email system, simply add “[secure]” in the subject line of the email invite.

**Q: When do I need to deliver my ADV Part 2B to a prospective client?**

**A:** Attach your ADV Part 2 to the email you will be sending your client inviting them to the program.

**Q: If I am currently only registered in the state of California, and I send an email invite to a prospect in another state, do I need to be registered in the state where the prospect resides prior to sending the email?**

**A:** You would only need to be registered in the state you are prospecting if the prospect resides in one of the 5 hot states

- District of Columbia
- New Jersey
- North Carolina
- Puerto Rico
- Texas

## **Account Opening and Funding Options**

**Q: What account types are available through Transamerica ALPHA?**

**A:** Acceptable Types of Accounts

- Traditional IRA
- ROTH IRA
- Individual
- Joint
- Trust accounts / CRUT's
- Entities/corporations (training for these types of accounts is forthcoming)
- SEP-IRA

Unacceptable Types of Accounts

- SIMPLE
- 529
- UGMA or UTMA accounts
- Solo 401K (there are future plans for it)
- 401k

- HSA

**Q: How are accounts opened?**

**A:** After a client receives your email invitation, they will open an account online through the Betterment website.

**Q: How are accounts funded?**

**A:** There are two methods that clients can use to fund their accounts.

During the account opening process, clients have the opportunity to link a bank account to their Transamerica ALPHA account. This provides a medium for money movement between a client's investment and bank accounts.

Note that while some banks are seamlessly linked to the client's Transamerica ALPHA account, other banks are authenticated via a two-step process where the client will need to verify their bank account by acknowledging two micro deposits. The two-step process involves an email being sent to the client requesting confirmation of the micro deposit amounts. After confirming the micro deposits, clients will need to log into their Transamerica ALPHA account to request their deposit.

Additionally, clients can initiate ACAT transfers from another ACAT eligible firm. For more information on how to initiate an ACAT and how to determine eligible ACAT securities, see the following questions.

**Q: How are ACAT transfers initiated?**

**A:** During the account opening process, a client is given the option to link their new Transamerica ALPHA account to their bank and to request a transfer from another brokerage firm. Clients would simply need to select the Transfer option and complete the steps that follow. Please see the question below for additional details.

**Q: What securities can be transferred through the ACAT system to a Transamerica ALPHA account?**

**A:** Only ETFs that are a part of the Betterment models are available for transfer to the program. Cash is also considered an eligible asset for transfer.

Here is a sample of the ETFs currently being used (as of 10/26/15):

- US Total Stock Market: VTI – Vanguard Total Stock Market ETF
- US Large-Cap Value: VTV – Vanguard Value ETF
- US Mid-Cap Value: VOE – Vanguard Mid-Cap Value ETF
- US Small-Cap Value: VBR – Vanguard Small-Cap Value ETF
- Developed Markets: VEA – Vanguard FTSE Developed Markets ETF
- Emerging Markets: VWO - Vanguard FTSE Emerging Markets ETF

- Municipal Bonds: MUB – iShares National AMT-Free Muni Bond ETF
- US Corporate Bonds: LQD – iShares iBoxx \$ Investment Grade Corporate Bond ETF
- International Bonds: BNDX – Vanguard Total International Bond ETF
- Emerging Markets Bonds: VWOB – Vanguard Emerging Markets Government Bond ETF

**Q: What happens when a client's bank does not immediately link to Betterment?**

**A:** Currently, Betterment has arrangements with Bank of America, Capital One, Charles Schwab, Chase, Citibank, Fidelity, PNC, SVB, US Bank, USAA, and Wells Fargo where the EFT link is immediately established, and the client can fund the account during the account opening process.

Other banks require the two-step verification process described above.

**Q: What is the account minimum for the Transamerica ALPHA program?**

**A:** \$10.00 is required to invest in a diversified strategy

**Q: Can my client open a SEP IRA?**

**A:** Yes, clients can establish SEP IRA accounts. Currently, however, SEP IRAs are limited to a single participant.

## **Account Maintenance**

**Q: How are check requests submitted?**

**A:** Clients are the only parties authorized to request movement of money from an account. Clients need to navigate to their selected goal, click on the gear icon, select the Deposit/withdraw option and complete the steps that follow.

**Q: How does a client request to have additional money from their bank account added to their Transamerica ALPHA account?**

**A:** Clients are the only parties authorized to request movement of money from an account. Clients need to navigate to their selected goal, click on the gear icon, select the Deposit/withdraw option and complete the steps that follow.

**Q: How do I assist a client in selecting a goal?**

**A:** First, you will need to log in as the client. From your advisor log in access, under the Summary tab, simply click on the client's account (do not click on the client's name) when it highlights in light blue. On the following screen, click on Log In and you will see the client's account exactly the way the client would.

Click on the account that you are helping the client with. Work with your client in setting the appropriate goal and setting the various inputs that will be used in determining the probability of the client achieving their stated goal.

**Q: Am I able to change a client's allocation?**

**A:** Yes, but remember that you MUST speak with and document the interaction with your client prior to making any goal changes for your client. From your advisor log in access, under the Summary tab, simply click on the client's account (do not click on the client's name) when it highlights in light blue. On the following screen, click on Log In and you will be viewing the client's account exactly the way your client sees their account.

Click on the account that needs allocation adjustment. On the following screen, slide the circle on the allocation change bar to the proper adjustment. Once the desired adjustment is reached, click on the "Set" button in the upper right-hand corner of the screen. A "pop-up" screen will appear, with the tax impact and some disclosure language. If this allocation is what was agreed upon with the client, click on the confirm changes button to complete the allocation change.

Clients also have the ability to change their allocation at any time by logging into their Transamerica ALPHA account.

**Q: What do I need to do to switch a client to another advisor?**

**A:** Advisors can change the rep of record for a client's account to another qualified advisor through the Rep/Dealer Change form, which should be submitted to the home office for processing.

**Q: How do I increase or decrease the advisory fee being charged to my client?**

**A:** From your Betterment advisor login, click on the client's account (do not click on the client's name). On the resulting page, next to the Log In button, click on the pencil icon and update the client fee accordingly.

## **Models and Investments**

**Q: Who manages the models?**

**A:** Betterment is the manager of the models, handles ETF selection, trading and rebalancing. Betterment currently has 101 models that clients may be invested in.

**Q: What are the investments?**

**A:** The program invests in ETFs.

Here is a sample of the ETFs currently being used (as of 10/26/15):

- US Total Stock Market: VTI – Vanguard Total Stock Market ETF
- US Large-Cap Value: VTV – Vanguard Value ETF
- US Mid-Cap Value: VOE – Vanguard Mid-Cap Value ETF
- US Small-Cap Value: VBR – Vanguard Small-Cap Value ETF

- Developed Markets: VEA – Vanguard FTSE Developed Markets ETF
- Emerging Markets: VWO - Vanguard FTSE Emerging Markets ETF
- Municipal Bonds: MUB – iShares National AMT-Free Muni Bond ETF
- US Corporate Bonds: LQD – iShares iBoxx \$ Investment Grade Corporate Bond ETF
- International Bonds: BNDX – Vanguard Total International Bond ETF
- Emerging Markets Bonds: VWOB – Vanguard Emerging Markets Government Bond ETF

**Q: Why goals based investing?**

**A:** Betterment is customizable to the way you and your clients think about your money through "goals." Using goals, portfolios can be segmented into a spectrum of goal-specific risk and return targets. In addition to customized allocations for each goal, if your client has a specific target amount in mind, Betterment's advice engine will recommend savings and time horizon changes to achieve the target. For clients in retirement, goals allow the flexibility to take regular withdrawals or to continue to build wealth with time-horizon based buckets at different risk levels.

**Q: How are the appropriate allocations selected?**

**A:** Betterment's systematic portfolio advice engine considers age, time horizon, and investment goal type to formulate tailored advice on both asset allocation and required savings or withdrawal rate. This process provides ongoing dynamic allocation advice for each investment goal through time. Based on Betterment's research, the allocation advice glide path gradually decreases the allocation to stocks over time.

For more information on this topic, visit:

<https://www.betterment.com/resources/inside-betterment/investment-advice/>

**Q: What are the ETF Expense ratios for the models?**

**A:** As of February 2016, expense ratios for the available models range from 0.09% to 0.17%

## **Program Fees**

**Q: What are the fees to the client, and how much do I earn?**

**A:** Total client fees can range from a minimum of 1.00% through a maximum of 1.35%. The platform fee is 0.35%, and you earn the difference of the total client fee minus 0.35%, which is paid through the grid. In total, you can earn anywhere from 0.65% to 1.00% depending on the total client fee you select.

The default pricing to the client is 1.35%

**Q: Is pricing for Transamerica ALPHA flat or tiered?**

**A:** Flat. Regardless of the account / household size, one flat fee is charged to the client. Similarly, the platform fee is also flat at 0.35%.

**Q: How often will I get paid for clients I have invested through Transamerica ALPHA?**

**A:** Fees are calculated and paid quarterly in arrears, based on an account's average daily balance. Basing fees on the average daily balance of an account is a great benefit in that it accurately accounts for any cash flows that may occur during a quarter.

## **Program Facts**

**Q: How can I get help?**

**A:** Once you have registered with Betterment, they can be reached by:

Phone – 888-646-2581  
Email – [support@bettermentinstitutional.com](mailto:support@bettermentinstitutional.com)

Hours:  
Monday through Friday 9 am to 8 pm Eastern  
Saturday and Sunday – 11am to 6 pm Eastern

**Q: Am I a fiduciary?**

**A:** Yes, as the IAR for the client, you are a fiduciary in the relationship with the client.

**Q: As the advisor on an account, is there a way for me to see what the client sees through the Betterment site?**

**A:** Yes. From your advisor log in access, under the Summary tab, simply click on the client's account (do not click on the client's name) when it highlights in light blue. On the following screen, click on Log In and you will be viewing the client's account exactly the way your client sees their account.

**Q: How are tax forms made available for my clients?**

**A:** Tax forms are accessible via the Activity tab when clients log into their accounts. Clients also have the ability to import the information automatically into TurboTax, H&R Block, or TaxACT tax preparation programs.

As a point of reference, tax forms for 2014 were made available on February 6, 2015.

**Q: If my client is viewing his/her account online, the Betterment website is branded as Transamerica ALPHA, and my contact information is provided. When my client logs in through their mobile device, using the Betterment app, the site is branded as Betterment and the contact information is for Betterment. Why?**

**A:** Mobile apps are currently not branded as Transamerica ALPHA.