TRANSAMERICA RETIREMENT SERVICES

SPONSOR E-NEWS

IN THIS ISSUE

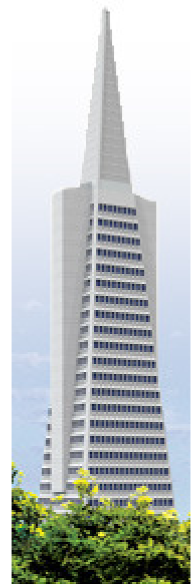
Welcome to the May 2010 Edition of Sponsor E-News

We've expanded our mobile capabilities by adding Blackberry and other mobile device access so that participants can view their plan information on the go.

No matter where you're headed in the future, a new survey suggests that employees with a retirement plan in place will most likely find their journey to retirement to be smoother and better informed than those without one.

Monthly Market Insight helps put the current market volatility throughout Europe into perspective and reminds us of the importance of diversification regardless of the market.

Finally, we examine fidelity bonds and their importance to your plan. We briefly explain who needs to be bonded, the different types of fidelity bonds, and the amount for which your plan should be bonded.



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(866) 498-4557

INFORMATION

E-Services: Now Transamerica Is Even More Mobile

Transamerica is taking your participants even further with its newly expanded mobile capabilities. Participants who use an iPhone® or iPod touch® have been able to access and view their retirement account using their mobile devices. Now participants who use a Blackberry® or other brands of mobile devices can also monitor their retirement accounts while on the go.

Participants can view their accounts simply by visiting www.TA-Retirement.com and entering their login information — no special applications needed.

Participants can use their mobile device — iPhone, iPod touch, Blackberry or other brand — to view:

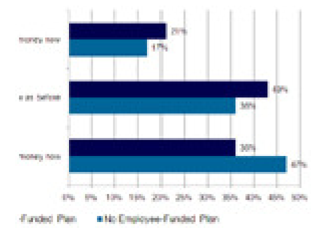
- Account information, including account balance, vested balance, available loan amount, most recent contribution date, year-to-date rate of return, and pending

transactions and distributions
- Investment choice selections and allocation percentages allowed under their plan
- Current investment performance

Participants won't be able to use their mobile device to make *changes* to their accounts. For that, they can still access www.TA-Retirement.com via computer.

INFORMATION

Workers With and Without 401(k) Plans Likely to Face Dramatically Different Realities



New research conducted by the non-profit Transamerica Center for Retirement Studies®[1] found that workers who are offered 401(k) plans or similar employee-funded arrangements:

- Exhibit more proactive retirement savings behaviors,
- Demonstrate higher levels of knowledge about retirement investing, and
- Are more confident in their ability to retire comfortably.

Specifically, the results of the 11th Annual Transamerica Retirement Survey[2] reveal the following differences:

- **Savings Strategies:** 61% of workers who are offered an employee-funded retirement savings plan have developed some form of a retirement savings strategy, compared to only 40% of workers without an employee-funded plan.
- **Retirement Age:** Significantly more workers without a plan expect to retire after the age of 70 or not at all (47%, versus 36% with a plan).
- **Social Security:** More workers without plans expect to rely on Social Security as their primary source of retirement income (31% versus 20%).

Finally, although retirement confidence is lacking among most workers, the survey found that workers who are offered a 401(k) plan or similar arrangement are more likely to agree that they are building a large enough retirement nest egg (45%), compared to those workers who are not offered a plan (27%).

For complete survey results, visit The Transamerica Center for Retirement Studies.

[1] The Transamerica Center for Retirement Studies® ("The Center") is a non-profit corporation and private foundation. The Center is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. For more information about The Center, please refer to www.transamericacenter.org.

[2] The survey was conducted online within the United States by Harris Interactive on behalf of Transamerica Center for Retirement Studies between December 3, 2009 and January 18, 2010 among 3,598 full-time and part-time workers. Potential respondents were targeted based on job title and full-time and part-time status. No estimates of theoretical sampling error can be calculated; a full methodology is available.

INFORMATION

Monthly Market Insight

The month of May has seen increased volatility in the stock markets, in large part due to financial pressures in European countries including Greece, Portugal, Ireland, Italy, and Spain. Earlier this month, the Fidelity Market Analysis, Research & Education experts commented on Why Greece's Debt Drama is Driving Market Volatility.

Fidelity noted that it is uncertain whether Greece will be able to reduce its deficit and achieve the economic growth required for fiscal sustainability. Greece's financial crisis is a problem for Europe not just because of the negative impact on the Euro currency, but because roughly three-quarters of Greek government debt is held by foreigners (mostly by European banks and other financial institutions) with the biggest shares held by France and Germany. The broader issue is to what extent other European countries with severe fiscal challenges — including Portugal, Spain, Italy and Ireland –– may follow Greece into a sovereign debt crisis.

Fidelity adds that the Greek sovereign debt crisis, which first surfaced as a source of volatility in the second half of 2009, has yet to upset the general trend of global economic improvement in 2010. However, European sovereign debt jitters may be a source of higher market volatility for some time to come.

In a climate of stock market volatility, it is wise to remember that diversifying your investment portfolio among stocks, bonds, and cash can help reduce your portfolio's volatility, while preserving your potential for returns. Diversification allows you to reduce the risk that the poor performance of any one asset class (such as stocks) will affect your entire retirement portfolio. For example, if the stocks in your portfolio are declining, your bonds may be on the rise. At a time when bonds are lagging, your stocks may be moving higher.

T. Rowe Price shows in this educational piece, titled Does Diversification Still Work?, that a diversified portfolio made up of 60% stocks, 30% bonds, and 10% cash would have offered 95% of the return of an all-stocks portfolio, but with only about 62% of the volatility.

We hope that you will share these informative articles with your plan's participants. We are committed to offering investment education that can help your participants plan wisely for a secure retirement.

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. Diversification does not guarantee a profit or protect against a loss.

Fidelity Investments provides investment management services for some of the investment choices offered in Transamerica's retirement plans. The Market Analysis, Research and Education (MARE) group is a unit of Fidelity Management & Research Co. Fidelity Investments and Fidelity Management & Research Co. are not affiliated with Transamerica.

T. Rowe Price provides investment management services for some of the investment choices offered in Transamerica's retirement plans. T. Rowe Price is not affiliated with Transamerica.

LEGISLATIVE/COMPLIANCE

Fidelity Bonds: What are the Requirements?

Fidelity bonds are designed to protect the plan and provide safety for anyone who handles, receives, safe keeps or disburses the funds on behalf of the plan. Fidelity bonds are required under Section 412 of ERISA and U.S. Department of Labor regulation 29 CFR 2580. These code sections provide the bonding requirements, and define the "handling" of plan assets as well as the required amounts of the fidelity bond.

Plan fiduciaries (and any other person who handles plan assets) must be bonded since their duties are such that there is a risk that plan assets could be lost in the event of fraud or dishonesty. A person is a plan fiduciary to the extent that they exercise discretionary authority over the management or administration of an employee benefit plan, regardless of actual title.

Fidelity bonds are issued by an approved surety company. Types of fidelity bonds include:

- **An individual bond,** which covers a specifically named person.
- **A name schedule bond,** which covers a named group of individuals or positions.
- **A position schedule bond,** which covers each of the occupants of the positions listed in the schedule.
- **A blanket bond,** which covers all the insured's officers and employees.
- **Or a combination of the above four bond types.**

Generally, the amount of the fidelity bond must be fixed at the start of each plan year in an amount that is not less than 10% of the amount of the funds being handled. The minimum amount for a fidelity bond is $1,000, while generally the maximum amount required is no more than $500,000. If the plan holds employer securities, the maximum bond amount increases to $1 million. Because the fidelity bond is "for the benefit of the plan" it may be purchased by the plan with plan assets.

In November 2008, the U.S. Department of Labor issued Field Assistance Bulletin No. 2008-04 that provided a comprehensive overview on fidelity bonds in a question and answer format. To access this Field Bulletin, visit the U.S. Department of Labor website at "Guidance Regarding ERISA Fidelity Bonding Requirements ". For more information about fidelity bonds, contact your financial advisor or Transamerica at (866) 498-4557.

COMPLIANCE CALENDAR

6/25 — For plans with an Eligible Automatic Contribution Agreement (EACA), June 25th is the deadline to instruct Transamerica to refund excess contributions to avoid the 10% penalty.

FEEDBACK

We always welcome your feedback and suggestions. Please send your comments to sponsorconnect@transamerica.com.