

TA Morgan Stanley Active International Allocation

Initial Class | Service Class

As of 12/31/12

Investment Objective

This investment option invests in a portfolio which seeks to provide long-term capital appreciation.

Investment Adviser

Transamerica Asset Management, Inc.

Sub-Adviser

Morgan Stanley Investment Management Inc.

Morgan Stanley Investment Management

Portfolio Managers

Ann D. Thivierge

Risk Measures

(3 years)

	Initial Class	Service Class
Alpha	-1.20	-1.49
Beta	0.98	0.98
R-Squared	98.50	98.50
Standard Deviation	19.42	19.42

Equity Statistics

Median Market Cap	\$10.26 (B)
Weighted Average Market Cap	\$52.84 (B)

B = Billions

Fund Facts

Portfolio Name	Transamerica Morgan Stanley Active International Alloc. VP*
Benchmark Index	MSCI-EAFE
Lipper Category	International Core

Class Facts

	Inception Date	Gross Expense Ratio	Net Expense Ratio
Initial Class	4/8/1991	1.07	1.07
Service Class	5/1/2003	1.32	1.32

Gross and net expense ratios for Service Class shares are higher than Initial Class shares due to the inclusion of 12b-1 fees.

Asset Allocation



Portfolio Characteristics

Net Assets	\$116.16 Million (all share classes)
Number of Holdings	586

Sector Weights (%)

Financials	21.73
Industrials	12.18
Consumer Discretionary	10.41
Materials	10.13
Health Care	10.06
Consumer Staples	9.54
Energy	5.12
Information Technology	4.70
Telecommunication Services	3.48
Utilities	2.21

Sector Weights exclude Cash and Cash Equivalents.

Top Ten Holdings (%)

	% of Holdings
Nestle SA	2.70
HSBC Holdings PLC	1.62
Novartis AG	1.40
Roche Holding AG	1.22
Toyota Motor Corp.	1.18
Bayer AG	1.16
SAP AG	1.02
Royal Dutch Shell PLC, Class A	0.96
BASF SE	0.83
BHP Billiton, Ltd.	0.82
Percentage of total portfolio	12.91

Holdings are subject to change and are not recommendations to buy or sell a security.

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 movement in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movement 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.

*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.

Not insured by FDIC or any federal government agency. May lose value.

Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.

TA Morgan Stanley Active International Allocation

Initial Class | Service Class

As of 12/31/12

Investment Strategy

This investment option invests in a portfolio whose sub-adviser, Morgan Stanley Investment Management Inc. ("MSIM"), invests the portfolio's assets, under normal circumstances, in accordance with country and sector weightings determined by MSIM, primarily in equity securities of non-U.S. issuers which, in the aggregate, replicate broad market indices. MSIM utilizes a "top-down" approach that emphasizes region, country, sector and industry selection and weighting rather than individual stock selection. The sub-adviser seeks to capitalize on the significance of region, country, sector and industry selection in international equity portfolio returns by over and underweighting regions, countries, sectors and industries based primarily on three factors: valuation; dynamics/fundamental change; and market momentum/technical. In a "top-down" approach, the sub-adviser looks at broad market factors and chooses certain sectors or industries within the market, based on those factors.

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.

Investing internationally, globally, or in emerging markets exposes investors to additional risks and expenses such as changes in currency rates, foreign taxation, differences in auditing and other financial standards not associated with investing domestically.

A portfolio that concentrates all or large portion of its assets in a single economic sector, geographic region, or that lacks diversity, is inherently subject to greater volatility.

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

You should consider a variable annuity's investment objectives, risks, charges, and expenses carefully before investing. Call 1-800-525-6205 for a contract and fund prospectus containing this and other information. Please read it carefully.

The Morgan Stanley Capital International - Europe, Australasia, Far East Index ("MSCI-EAFE") is an unmanaged index used as a general measure of market performance. It is not possible to invest directly into an index.

Transamerica Financial Life Insurance Company is licensed in New York.