

Transamerica Asset Allocation - Growth Portfolio

Class A IAAAX | Class I TAGIX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Morningstar Investment Management LLC (Morningstar)



Portfolio Managers

Dario Castagna, CFA
Dan McNeela, CFA
Michael Stout, CFA

Product Profile

A comprehensive investment solution designed to help you achieve your tomorrows

- ➔ Broad diversification in one long-term investment
- ➔ Active management with more than twenty unique investment managers
- ➔ Daily portfolio management and oversight by Morningstar Investment Management investment professionals

Fund Facts

Inception Date (A-I)	03/01/02 - 11/30/09
Benchmark Index	Wilshire 5000 Total Market Index, Transamerica Asset Allocation- Growth Portfolio Blended Benchmark
Morningstar Category	Allocation--85%+ Equity
Lipper Category	Mixed-Asset Target Allocation Aggressive Growth
Dividend Frequency	Annually

This material was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact your financial professional.

Macroeconomic Overview

Global equities continued to rally in 2017's second quarter (Q2). In the U.S., a surge in corporate earnings fueled optimism, and consumer confidence remained high due to low gasoline prices and a strong job market. After gaining 3.1% in Q2, the S&P 500® Index has risen 9.3% over the first half of 2017. Foreign stocks performed even better. The MSCI EAFE Index climbed 6.1% in Q2 and is up 13.8% year to date. That comes after lagging for much of the prior six years. Emerging markets have surged in 2017, with the MSCI Emerging Markets Index up 18.4% through June. U.S. bonds have benefited from falling long-term yields this year, despite two U.S. Federal Reserve rate hikes so far in 2017. The Bloomberg Barclays U.S. Aggregate Bond Index gained 1.4% in the second quarter and is up 2.3% year to date. High-yield bonds got an extra boost from good corporate earnings and the rising stock market.

Fund Overview

In 2017's second quarter, Transamerica Asset Allocation - Growth Portfolio's 3.69% return was 0.08% shy of the 3.61% return of the blended benchmark. An overweight to foreign stocks—both developed and emerging markets—was positive, as international stocks outpaced U.S. stocks. Many of the underlying funds delivered good performance, including most of the anchor positions in U.S. large-cap funds. These positives were partly offset by a move in May to modestly lower overall equity exposure in light of lofty U.S. equity valuations. (As of June 30, 2017, the equity weighting was 92.1% versus the neutral 95% target. The equity underweight comes entirely from the U.S. side of the portfolio). Meanwhile, the portfolio's alternative strategies sleeve underperformed both stocks and bonds in the quarter.

Outlook

U.S. stock valuations are too rich in the portfolio managers' view, following seven consecutive quarterly gains in the S&P 500® Index and a 327% rise from the March 2009 bottom through June 2017. The managers have therefore reduced exposure to U.S. equities and are overweighting foreign developed and emerging markets, where valuations are more palatable by comparison. But because global equities are not cheap in general, the managers have also trimmed the overall equity level to about 3 percentage points below the neutral 95% target. As part of the reduction, the managers also trimmed the position in Transamerica MLP and Energy Income. However, they continue to hold about a 4.6% position in that fund in the belief that revenues for pipeline and storage assets should not be significantly affected by lower oil and gas prices, and in fact can benefit from the resulting increase in demand.

**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.**

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Risk Measures* 3 years

	Portfolio
Alpha	0.13
Beta	0.97
R-Squared	97.00
Standard Deviation	9.28

*Risk measures are in comparison to the fund's blended benchmark unless otherwise indicated. Based on Class A shares at NAV for the 3-year period.

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.

Equity Statistics

Median Market Cap	\$8.47 (B)
Weighted Average Market Cap	\$101.00 (B)

B = Billions

Top 10 Holdings

Fund Name	Sub-Adviser	% of Holdings
Transamerica Large Cap Value	Levin Capital Strategies, L.P.	12.38
Transamerica Dividend Focused	Barrow, Hanley, Mewhinney & Strauss, LLC	10.93
Transamerica International Equity	Thompson, Siegel & Walmsley LLC	10.41
Transamerica Developing Markets Equity	OppenheimerFunds, Inc.	9.86
Transamerica Growth	Jennison Associates LLC	6.31
Transamerica International Equity Opportunities	MFS® Investment Management	5.81
Transamerica MLP & Energy Income	Kayne Anderson Capital Advisors, L.P.	4.55
Transamerica Mid Cap Value	J.P. Morgan Investment Management Inc.	4.36
Transamerica Capital Growth	Morgan Stanley Investment Management Inc.	4.29
Transamerica US Growth	Wellington Management Company LLP	4.28
Percentage of total portfolio		73.18

Each portfolio allocates its assets among Class I2 shares of various underlying funds of Transamerica Funds. Not all classes are available to investors. Holdings are subject to change and are not recommendations to buy or sell a security. Holdings excludes net other assets (liabilities).

Weightings vs. Targets (%)

	Target	Underweight	Within Target Range	Overweight
Large Cap Stocks	39.0	36.3	–	–
Small/Mid Cap Stocks	19.0	17.4	–	–
Foreign Developed Stocks	18.5	–	–	21.4
Foreign Emerging Markets Stocks	6.5	–	–	10.0
Investment-Grade Domestic Bonds	–	–	–	–
Inflation Adjusted Bonds	–	–	–	–
High Yield Bonds	–	–	–	–
Short-Term Bonds (including cash)	3.0	–	2.6	–
Foreign Developed Bonds	–	–	–	–
Foreign Emerging Markets Bonds	–	–	–	–
Real Estate	4.0	1.8	–	–
Alternatives	10.0	–	–	10.6
Other	–	–	0.0	–

*Alternatives include long/short, global-macro, managed futures, and commodity strategies.

**May include unclassified securities such as derivatives and private/restricted equity.

Weightings are subject to change without notice.

Source: Morningstar Investment Management LLC

All opinions, estimates, projections and security selections contained herein are those of the sub-adviser. It does not constitute investment advice and should not be used as a basis for any investment decisions.

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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	3.69	10.12	17.32	6.56	11.30	4.35	6.02
Class A (at POP)	-2.03	4.04	10.86	4.57	10.05	3.76	5.64
Class I (as NAV)	3.83	10.36	17.65	6.87	11.64	N/A	10.09
Wilshire 5000 Total Market Index	2.96	8.85	18.66	8.78	14.41	7.30	–
Asset Alloc. - Growth Blended Benchmark	3.61	9.63	16.67	6.47	11.65	5.16	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	8.29	-0.22	5.33	27.49	14.62	-6.38	14.26
Class I (at NAV)	8.51	0.06	5.63	27.95	15.00	-5.95	14.64
Wilshire 5000 Total Market Index	13.03	-0.23	12.10	33.98	16.11	0.60	17.87
Asset Alloc. - Growth Blended Benchmark	7.89	0.82	7.11	26.34	14.86	-1.83	12.03

Performance figures reflect any fee waivers and/or expense reimbursements by the Investment Manager. Without such waivers and/or reimbursements, the performance would be lower. Future waivers and/or reimbursements are at the discretion of the Investment Manager.

Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, qualified retirement plans, certain endowment plans and foundations and Directors, Trustees and employees of the funds' affiliates.

The performance data presented represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Please see transamerica.com for performance data current to the most recent month-end. The investment return and principal value of mutual funds will fluctuate over time so that shares, when redeemed, may be worth more or less than their original cost.

Net asset value (NAV) returns include reinvestment of dividends and capital gains but do not reflect the deduction of any sales charges. If a sales charge had been deducted, the results would have been lower. Public offering price (POP) returns include reinvestment of dividends and capital gains and reflect the maximum sales charge of 5.50%. Performance for other share classes will vary.

The gross expense ratios for this fund are 1.45%, and 1.18% for Class A, and I shares, respectively. The net expense ratios for this fund are 1.45%, and 1.18% for Class A, and I shares respectively. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.

The fund's adviser, Transamerica Asset Management, Inc. (TAM) has chosen Morningstar Investment Management LLC, a registered investment advisor and wholly owned subsidiary of Morningstar, Inc., to serve as portfolio construction manager to the Transamerica Asset Allocation Portfolios. Morningstar is not acting in the capacity of an advisor to individual investors. Morningstar is not affiliated with Transamerica or its affiliates. The Morningstar name and logo are registered marks of Morningstar, Inc. All other marks are the property of their respective owners.

The Wilshire 5000 Total Market Index and Transamerica Asset Allocation - Growth Blended Benchmark (Asset Alloc. - Growth Blended Benchmark) (63% S&P 500®, 27% MSCI Europe, Australasia and Far East, and 10% Bloomberg Barclays 1-3 Year U.S. Treasury Index) are unmanaged indices used as general measures of market performance. It is not possible to invest directly into an index. Calculations assume dividends and capital gains are reinvested and do not include any managerial expenses.

Asset allocation, like many investment strategies, offers no guarantee of positive returns, and mutual funds are subject to market risk, including loss of principal. Global/international stock funds and specialty/sector funds are subject to additional market risks. Fees associated with a fund-of-funds may be higher than with other funds. Funds that invest in small- and medium-sized companies present additional risks such as increased volatility because their earnings are less predictable, their share price more volatile, and their securities less liquid than larger or more established companies.

Before investing, consider the fund's investment objective, risks, charges, and expenses. Contact your financial professional or go to transamerica.com for a prospectus and/or summary prospectus with this information. Read it carefully.