

Transamerica Emerging Markets Debt

Class A EMTAX | Class I EMTIX

Investment Objective

The fund seeks to generate a high total return through a combination of capital appreciation and income.

Sub-adviser

Logan Circle Partners, LP (Logan Circle)



Portfolio Managers

Todd Howard, CFA

Scott Moses, CFA

Product Profile

A fund that invests in government and corporate debt securities from emerging markets, seeking to take advantage of promising economic and demographic trends

- ➔ Nearly 40 investment professionals seeking global credit opportunities across credit spectrums
- ➔ Invests in U.S. dollar and local currency debt; active currency-hedging program helps temper volatility
- ➔ Purchases emerging market government and corporate debt, investment grade and below-investment grade

Fund Facts

Inception Date (A-I)	08/31/11 - 08/31/11
Benchmark Index	J.P. Morgan Emerging Markets Bond Index Global
Morningstar Category	Emerging Markets Bond
Lipper Category	Emerging Markets Hard Currency Debt
Dividend Frequency	Quarterly

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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Macroeconomic Overview

Emerging Markets (EM) assets continued their impressive run during the quarter. In U.S. dollar sovereign assets, high yield names significantly outperformed, returning 2.55% versus 1.97% for investment grade. Sub-Saharan African risk rallied aggressively as investors chased higher yielding countries like Zambia, Cameroon and even defaulted Mozambique. Brazilian assets underperformed on the recent JBS S.A. (0.00% as of 6/30/2017) plea deal implicating President Temer in a potential bribery scandal. Telecom was one of the best corporate sectors as one of the largest high yield issuers, Digicel Group, Ltd., performed strongly along with competitors in the Caribbean markets. Local currency assets were the stellar performer of the quarter. Macro themes and Brazilian headlines dominated price action. Better data out of Europe and expectations of European Central Bank (ECB) taper led to major outperformance of European FX pairs. Poland, Romania, and Hungary all rallied as Euro proxies; while, Brazil's political turmoil and a soft energy market weighed on Brazil, Argentina, Russia and Colombia.

Fund Overview

U.S. dollar sovereign exposure generated solid returns. Exposure in Ghana and Ukraine outperformed as both continue to benefit from International Monetary Fund assistance and yield advantages. Uncertainty in Venezuela led to underperformance in that curve while energy prices weighed on Bahrain. Corporate exposure generated positive relative and absolute returns. High yield assets like Digicel Group, Ltd. and Pampa Energia SA (0.58% as of 6/30/2017) helped returns, as did owning Eldorado Intl. Finance GmbH (0.78% as of 6/30/2017), which has benefitted from the turmoil in Brazil. Technology, media and telecommunications outperformance remained true in names like MTN Mauritius Investment, Ltd. (0.63% as of 6/30/2017) in South Africa and VTR Finance BV (0.52% as of 6/30/2017) in Chile. The commodity sell-off and worries around environmental licenses weighed on Samarco Mineracao SA (0.23% as of 6/30/17) in Brazil and small Russian corporate exposure suffered on oil related outflows. Local currency assets traded well, but the lack of exposure in Malaysia and an overweight in Argentina hurt relative returns. Exposure in Eastern Europe generated excess returns, benefitting from a more hawkish ECB. Increasing Mexican exposure also helped as the currency and the rates outperformed.

Outlook

Logan Circle continues to focus on taking corporate exposure in areas less exposed to duration moves and using rate sell-offs to add convexity in areas that are willing to take duration risk. Logan Circle likes the current economic fundamentals but have continued to be cautious when adding beta risk. The lack of consensus in Washington has failed to derail the risk rally which continues to make Logan Circle a little wary of recent strength. However, Logan Circle does like fundamentals and will use widening as a buying opportunity. If the market does back up significantly, expect the fund to add to higher risk exposures in the portfolio. Within local currency Logan Circle expects the portfolio will become slightly more cautious as the second half of the year continues year given the increased possibility of global central bank tightening and the U.S. Federal Reserve's balance sheet reduction.

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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Top 10 Holdings

	% of Holdings
Brazil Notas do Tesouro Nacional, Series F, 10.00%, due 01/01/2025	2.15
Malaysia Government Bond, 3.58%, due 09/28/2018	1.76
Mexico Bonos, Series M, 6.50%, due 06/09/2022	1.51
Brazil Notas do Tesouro Nacional, Series F, 10.00%, due 01/01/2027	1.46
Turkey Government Bond, 11.00%, due 02/24/2027	1.33
Mexico Bonos, 7.50%, due 06/03/2027	1.30
Digicel Group, Ltd., 7.12%, due 04/01/2022	1.18
Russian Federation Foreign Bond - Eurobond, 5.25%, due 06/23/2047	1.11
Republic of Poland Government Bond, 2.50%, due 07/25/2026	1.07
Colombia Government International Bond, 5.00%, due 06/15/2045	1.07
Percentage of total portfolio	13.94

Holdings are subject to change and are not recommendations to buy or sell a security. Holdings excludes net other assets (liabilities).

Fixed Income Statistics

Average Price	\$96.22
Average Maturity	9.73 years
Average Duration	4.75 years

Source: Logan Circle

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 4.75%. Performance for other share classes will vary.

The gross expense ratios for this fund are 1.15% and 0.82% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.15% and 0.82% for Class A and Class I shares, respectively. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.

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 J.P. Morgan Emerging Markets Bond Index Global is an unmanaged index used as a general measure 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.

The risks of investing in foreign securities are magnified in emerging markets. These may include risks related to market and currency volatility, adverse social and political developments, and the relatively small size and less liquidity of these markets. Debt investing is subject to credit risk and interest rate risk. Credit risk is the risk that the issuer of a bond won't meet their payments and interest rate risk is the risk that fluctuations in interest rates will affect the price of a bond.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.

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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr	Inception*
Class A (at NAV)	2.44	7.71	9.31	2.70	5.04	N/A	6.02
Class A (at POP)	-2.45	2.57	4.13	1.03	4.02	N/A	5.14
Class I (at NAV)	2.51	7.84	9.68	3.03	5.41	N/A	6.38
JPM EM Bond Index Global	2.21	6.20	5.52	4.64	5.20	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	12.74	-4.35	1.91	-5.25	26.11	N/A	N/A
Class I (at NAV)	13.20	-4.10	2.40	-5.06	26.58	N/A	N/A
JPM EM Bond Index Global	10.19	1.23	5.53	-6.58	18.54	N/A	N/A

Risk Characteristics

3 years

	Portfolio
Alpha	-2.79
Beta	1.19
R-Squared	88.20
Standard Deviation	7.67

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

Average Maturity is computed by weighting the maturity of each security in the portfolio by the market value of the security, then averaging these weighted figures.

Average Duration is a time measure of a bond's interest rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder.