

Transamerica Multi-Manager Alternative Strategies Portfolio

Class A IMUAX | Class I TASIX

Investment Objective

The portfolio seeks long-term capital appreciation.

Sub-adviser

Aegon USA Investment Management, LLC (AUIM)



USA Investment Management, LLC

Portfolio Managers

Timothy S. Galbraith

James K. Schaeffer, Jr.

Rishi N. Goel

Product Profile

A one-ticket core alternative investment solution investing in a combination of underlying funds.

- ➔ Uses a combination of a global “top down” analysis and a “bottom up” fundamental analysis.
- ➔ “Top down” approach analyzes various factors that affect the movement of markets and securities prices worldwide.
- ➔ “Bottom up” analysis of underlying funds considers various fundamental and other factors, such as performance, manager experience, size of fund, and the fund’s investment parameters.

Fund Facts

Inception Date (A-I)	12/28/06 - 11/30/09
Benchmark Index	BofAML 3-Month Treasury Bill + 3% Wrap, HFRX Global Hedge Fund Index
Morningstar Category	Multialternative
Lipper Category	Alternative Multi-Strategy
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

As the structural reform agenda stalled in Washington, DC, the deflation trade faded, West Texas Intermediate crude oil prices were down 15% in the second quarter, and the U.S. dollar continued to weaken. Credit spreads were tight and valuations somewhat stretched, reflecting a broadly positive earnings season and a price supportive issuance environment. 10-year U.S. Treasury yields fell by roughly 0.50% since March, reflecting soft inflation data. The U.S. Federal Reserve (Fed) moved forward with its second rate hike this year and signaled they would soon begin the process of reversing quantitative easing. The U.S. Treasury curve (2s10s) was 0.35% flatter peak-to-trough, but steepened into quarter end. While moderates prevailed in French and U.K. elections, geopolitical concerns in the Middle East and East Asia remained, though low volatility appeared to reflect complacency—equity markets in the U.S. continued to set all-time highs.

Fund Overview

Transamerica Multi-Manager Alternative Strategies Portfolio’s performance was marked by continued equity market advances but a significant crude oil sell-off. Equity exposure strategies such as long/short equity benefited from the portfolio’s emerging market equity position. Interest rates drifted lower during the quarter which favored emerging markets and interest rate sensitive strategies and asset classes such as real estate investment trusts. Detractors in the portfolio included global macro and managed futures strategies, which were buffeted in part by long positions in crude and short positions in U.S. Treasury bonds.

Outlook

Transamerica Multi-Manager Alternative Strategies Portfolio seeks to be positioned for continued global economic growth and has a positive equity beta, but maintains other diversifying exposures. The fund has exposure to strategies that will attempt to minimize any negative impact from higher interest rates such as floating rate and unconstrained bond exposures. Relative value strategies are still a sizable portion of the portfolio in an attempt to gain exposure the global differences in interest rates, equity market and foreign currency changes.

**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.**

Transamerica Multi-Manager Alternative Strategies Portfolio

Class A IMUAX | Class I TASIX

Top 10 Holdings

Fund Name	Sub-Adviser	% of Holdings
Transamerica Event Driven	Advent Capital Management, LLC	14.16
Transamerica Long/Short Strategy	J.P. Morgan Investment Management Inc.	13.02
Transamerica Unconstrained Bond	PineBridge Investments LLC	12.33
Transamerica Short-Term Bond	Aegon USA Investment Management, LLC	12.10
Transamerica Global Multifactor Macro	AQR Capital Management, LLC	10.76
Transamerica Developing Markets Equity	OppenheimerFunds, Inc.	10.05
Transamerica Managed Futures Strategy	AQR Capital Management, LLC	8.40
Transamerica Floating Rate	Aegon USA Investment Management, LLC	8.25
Transamerica Global Real Estate Securities	CBRE Clarion Securities LLC	6.10
Transamerica Global Long/Short Equity	Picton Mahoney Asset Management	2.66
Percentage of total portfolio		97.83

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).

Transamerica Multi-Manager Alternative Strategies Portfolio

Class A IMUAX | Class I TASIX

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	0.31	1.79	2.44	-0.33	2.02	1.54	1.71
Class A (at POP)	-5.20	-3.78	-3.24	-2.20	0.86	0.97	1.16
Class I (at NAV)	0.42	2.01	2.82	-0.01	2.35	1.41	1.50
BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap	0.96	1.82	3.54	3.28	3.22	3.64	–
HFRX Global Hedge Fund Index	0.89	2.56	6.00	-0.35	1.91	-0.95	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	2.35	-5.73	2.97	3.68	8.54	-3.31	6.39
Class I (at NAV)	2.73	-5.50	3.32	4.04	8.93	-3.05	6.93
BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap	3.38	3.10	3.08	3.12	3.16	3.15	3.17
HFRX Global Hedge Fund Index	2.50	-3.64	-0.58	6.72	3.51	-8.87	5.19

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.

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 2.04% and 1.72% for Class A and I shares, respectively. The net expense ratios for this fund are 2.04% and 1.72% 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.

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 Bank of America Merrill Lynch 3-Month Treasury Bill +3% Wrap Index (BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap) is an unmanaged index used as a general measure of market performance. It is not possible to invest directly into an index. The HFRX Global Hedge Fund Index is a passively-managed index that is compiled by Hedge Fund Research, Inc. It is designed to measure the daily performance of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Returns presented are net of underlying manager fees, but do not reflect the deduction of management fees, taxes and other expenses. Calculations assume dividends and capital gains are reinvested and do not include any managerial expenses.

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

The fund intends to utilize individual strategies and hedging techniques in matched combinations that may have lower correlation to broader equity and fixed income markets. Some of these strategies include long/short equity and tactical investment strategies (debt and/or equity); global real estate securities; commodities; managed futures, global macro and non-traditional investments (such as emerging market stocks). There is no assurance that these strategies will protect against losses. Certain hedging techniques and leverage employed in the management of the fund may accelerate the velocity of possible losses.

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.