

# ClearTrack® Retirement Income

Class R1 TCITX | Class R6 TCJTX

## Investment Objective

The fund seeks the highest total return (that is, a combination of income and long-term capital appreciation) over time consistent with its asset mix.

## Sub-adviser

QS Investors, LLC (QS)



## Portfolio Managers

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## Product Profile

ClearTrack® target date funds offer one-step retirement options that make it easy to achieve the right investment balance as investors journey both to and through retirement.

- ➔ Diversified investment approach: Allocate to a diverse set of asset classes and independent investment managers to help minimize risk.
- ➔ Dynamic rebalancing: Designed to help protect assets from substantial losses around retirement.
- ➔ Expanded equity allocation: Expanded allocation to equity assets with an adjustable approach to help capture growth.

## Fund Facts

Inception Date (R1-R6)	03/02/15 - 03/02/15
Benchmark Index	Bloomberg Barclays US Aggregate Bond Index, ClearTrack® Retirement Income Blended Benchmark
Morningstar Category	Target-Date Retirement
Lipper Category	Mixed-Asset Target Today Funds
Dividend Frequency	Annually

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.

## Macroeconomic Overview

The persistent trend of global equity growth ended in the first quarter of 2018. Global equities finished the quarter depreciating 1.7% - the asset class's first quarterly loss since Q1 2016 (-1.7%). By region, only emerging markets bucked this trend, gaining 0.8% over the quarter. International-developed stocks suffered the most of the major regions, falling 4.2% and U.S. stocks declined 0.8%. The sell-off across global equity markets was sparked by data released early in February that showed U.S. inflation had picked up more than consensus estimates, suggesting the U.S. Federal Reserve (Fed) might accelerate rate tightening. In March, the decline in equities was driven by concerns of a global trade war. Reacting to the equity sell-off, global fixed income assets appreciated during the quarter (+1.4%). However, U.S. fixed income continued to display an inconsistent correlation to U.S. equities; U.S. investment grade bonds were down 1.5%. The U.S. Treasury 10-year yield ended the quarter at 2.74%, halting upward momentum that had started in September 2017. In-line with its historical positive correlation to equities, U.S. high yield bonds declined in value during the quarter, dropping 0.6%.

## Fund Overview

Transamerica ClearTrack® Retirement Income (Fund) slightly underperformed its benchmark, the Bloomberg Barclays US Aggregate Bond Index, in the first quarter 2018, net of fees. The Fund had positive contributions from its overweights to international fixed income and emerging market equity that were more than offset by lagging performance from U.S. real estate investment trusts (REITs) and U.S. large cap equity. In absolute terms, the Fund's underlying holdings in both equities and fixed income had mixed returns over the quarter. Emerging markets equity and international fixed income were the only holdings in positive territory. U.S. REITs equity and emerging market fixed income had the largest declines.

## Outlook

QS' outlook on risky assets is cautious. QS' tactical asset allocation models that forecast the relative performance between stocks and bonds are largely neutral. One factor driving the decline in the global stock versus bond outlook is QS' leading economic indicator index, which is in slightly negative territory – a position driven by a decline in global trade prospects and a pullback in average hours worked. Also driving the neutral view between stocks and bonds is interest rate trend. Despite the fact that the U.S. 10-year yield ended lower on a month-end to month-end basis, it has largely been trending upward in 2018. When interest rates appreciate, borrowing costs for both consumers and corporations increases. This has the effect of driving down spending and subsequent economic growth. The upward trend in interest rates has also made stocks less favorable from a relative valuation basis which also contributed to the QS' moderate position between the two assets.

**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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## Equity Statistics

Median Market Cap	<b>\$68.56 (B)</b>
Weighted Average Market Cap	<b>\$68.56 (B)</b>

**B** = Billions

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.

**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.**

**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.**

## Holdings

	% of Holdings
iShares Core U.S. Aggregate Bond ETF	48.66
Schwab U.S. Large-Cap ETF	19.42
Vanguard Total International Bond ETF	7.35
iShares TIPS Bond ETF	7.01
Vanguard FTSE Developed Markets ETF	5.26
Schwab U.S. Small-Cap ETF	5.17
SPDR Bloomberg Barclays High Yield Bond ETF	3.30
Vanguard FTSE Emerging Markets ETF	1.38
iShares JP Morgan USD Emerging Markets Bond ETF	1.00
Schwab U.S. REIT ETF	0.57
Percentage of total portfolio	99.12

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

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception*
Class R6 (at NAV)	-1.51	-1.51	4.33	3.00	N/A	N/A	3.02
Bloomberg Barclays U.S. Aggregate Bond Index	-1.46	-1.46	1.20	1.20	N/A	N/A	-
ClearTrack® Retirement Income Blended Benchmark	-0.72	-0.72	6.87	4.23	N/A	N/A	-

\* Average Annual Total Return

## Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class R6 (at NAV)	8.36	5.42	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays US Aggregate Bond Index	3.54	2.65	N/A	N/A	N/A	N/A	N/A
ClearTrack® Retirement Income Blended Benchmark	10.83	N/A	N/A	N/A	N/A	N/A	N/A

**Net asset value (NAV) returns include reinvestment of dividends and capital gains but do not reflect the deduction of any sales charges. There are no sales charges for Class R6 shares. Class R shares are available only to eligible retirement plans.**

**The gross expense ratios for this fund are 1.22% and 0.57% for Class R1 and R6 shares, respectively. The net expense ratios for this fund are 1.20% and 0.55% for Class R1 and R6 shares respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.**

The Bloomberg Barclays US Aggregate Bond Index and the ClearTrack Retirement Income Blended Benchmark (42% Bloomberg Barclays US Aggregate Bond Index, 15% Bloomberg Barclays Global Aggregate Index ex-U.S., 14% MSCI EAFE Index, 8% Russell 1000® Index, 8% Bloomberg Barclays US Corporate High Yield 2% Issuer Cap Index, 5% FTSE NAREIT Equity REITs Index, 5% Russell 2000® Index, and 3% MSCI Emerging Markets Index) are an unmanaged indices 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 *ClearTrack*® target date options invest in exchange-traded funds (ETFs) which may represent a variety of broad asset classes including equity, fixed income, inflation-hedging, and short-term defensive instruments and may be subject to all of the risks of these asset classes. ETFs generally present the same risks as an investment in a conventional fund that has the same investment objectives, strategies, and policies. The market price of an ETF's shares may be above or below the shares' net asset value; and an active trading market for an ETF's shares may not develop or be maintained. The allocations become more conservative over time: The fund's asset mix allocated to equities will decrease while the percentage allocated to fixed income will increase as the target date approaches. The higher the allocation is to equities, the greater the risk. The principal value of the investment option is never guaranteed, including at and after the target date. Diversification does not assure a profit or protect against market loss.

**Mutual funds are subject to market risk, including the loss of principal. Past performance is not indicative of future results.**

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