

Transamerica Dynamic Allocation

Class A ATTRX | Class I ITTOX

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. The fund will seek to reduce volatility as a secondary objective.

Sub-adviser

QS Investors, LLC (QS)



Portfolio Managers

Thomas Picciochi
Ellen Tesler
Adam J. Petryk, CFA

Sub-adviser

Western Asset Management Company



Portfolio Managers

S. Kenneth Leech
Prashant Chandran

Product Profile

An asset allocation fund with a structure designed to help reduce downside volatility.

- ➔ Invests primarily in exchange-traded funds that represent a broad range of asset classes, investment styles and focuses.
- ➔ Utilizes traditional diversification, dynamic rebalancing, and event risk management to achieve its investment objective.

Fund Facts

Inception Date (A-I)	10/31/12 - 10/31/12
Benchmark Index	Russell 3000® Index, Transamerica Dynamic Allocation Blended Benchmark
Morningstar Category	Tactical Allocation
Lipper Category	Flexible Portfolio
Dividend Frequency	Annually

Macroeconomic Overview

Equity markets across most major regions enjoyed strong performance in the quarter. Global equity performance (as represented by the MSCI All Country World Index) was up 3.3% in the second quarter of 2017. With the exception of Japan, this marked the second consecutive quarter of positive equity returns for major regional indexes. U.S. equity markets (as represented by the S&P 500®) were a particular source of consistency, appreciating in each month year-to-date, a trend that began in November 2016 following the U.S. presidential election. Global bond markets extended a performance rebound that began in the first quarter, on the heels of historic losses in the fourth quarter of 2016. Global fixed income (as represented by the Bloomberg Barclays Global Aggregate Total Return Index) appreciated 2.6% in the quarter and U.S. bonds (as represented by the Bloomberg Barclays U.S. Aggregate Bond Index) added 1.4%.

Fund Overview

The Transamerica Dynamic Allocation Fund underperformed its benchmark, net of fees, in the second quarter. The fund was fully invested to its strategic targets throughout the quarter, as markets were positive and volatility remained low. The Event Risk Management strategy and sub-asset class selection effect were the primary reasons for underperformance. Event Risk Management, which consists of a tail risk put option strategy managed by Western Asset, declined due to its inverse performance relationship with U.S. equity markets. International fixed income was the main factor within sub-asset class effect, as the fund's U.S. dollar-hedged position underperformed its unhedged benchmark in a weak U.S. dollar environment. In absolute terms the fund's return was led by equities. International equities was the best performing sector, though all underlying holdings had positive returns in the second quarter.

Outlook

QS's short-term market outlook can be summarized as moderately cautious, particularly in comparison to their strongly positive equity position at the end of the first quarter. In spite of this moderation, QS still favors in U.S. stocks vs. investment grade bonds. That view is largely driven by their view on valuation. The largest driver of change between the end of Q1 and the end of Q2 was their leading economic indicator index, which moved from strongly positive to negative territory. Over this period, three important indicators worsened within manufacturing, workforce productivity, and house construction. In other asset classes, QS remains overweight U.S. high yield versus investment grade bonds. While their preference for U.S. stocks is moderate, they have a much stronger conviction in European stocks versus European investment grade bonds.

Prior to May 1, 2015, this fund was called Transamerica Tactical Rotation and had a different sub-adviser and investment strategy. On June 30, 2015, Transamerica Dynamic Allocation II (formerly Transamerica Tactical Allocation) merged into this fund.

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.

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.

**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
iShares Russell 1000 Value ETF	24.94
iShares Russell 1000 Growth ETF	24.63
iShares Core U.S. Aggregate Bond ETF	14.84
Vanguard Total International Bond ETF	14.77
iShares Russell 2000 ETF	10.03
iShares MSCI EAFE ETF	9.81
Option Purchased, PUT, S&P 500®	0.09
Option Purchased, PUT, S&P 500®	0.08
Option Purchased, PUT, S&P 500®	0.08
Option Purchased, PUT, S&P 500®	0.07
Percentage of total portfolio	99.34

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

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.

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 1.55% and 1.25% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.32% and 1.07% 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.

The Russell 3000® Index and Transamerica Dynamic Allocation Blended Benchmark (Russell 1000® Index, 50%; Bloomberg Barclays Global Aggregate ex-U.S., 15%; Bloomberg Barclays U.S. Aggregate Bond Index, 15%; MSCI All Country World Index ex-U.S., 10%; Russell 2000® Index, 10%) are 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.

Asset Allocation, like many investment strategies, offers no guarantee of positive returns, and mutual funds are subject to market risk, including loss of principal. 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 ETFs share may be above or below the shares' net asset value; and an active trading market for an ETF share may not develop or be maintained. 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. Fixed income investing is subject to credit risk, inflation risk and interest rate risk.

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)	2.26	5.42	9.82	2.62	N/A	N/A	6.71
Class A (at POP)	-3.34	-0.35	3.75	0.70	N/A	N/A	5.43
Class I (at NAV)	2.36	5.63	10.18	2.89	N/A	N/A	7.01
Russell 3000® Index	3.02	8.93	18.51	9.10	N/A	N/A	–
Transamerica Dynamic Allocation Blended Benchmark	3.11	7.79	12.63	5.58	N/A	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	4.58	-1.86	3.92	18.25	N/A	N/A	N/A
Class I (at NAV)	4.82	-1.63	4.26	18.64	N/A	N/A	N/A
Russell 3000® Index	12.74	0.48	12.56	33.55	N/A	N/A	N/A
Transamerica Dynamic Allocation Blended Benchmark	9.36	-1.16	7.08	20.22	N/A	N/A	N/A

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.

Risk Measures*

3 Years

	Portfolio
Alpha	-0.26
Beta	0.71
R-Squared	80.70
Standard Deviation	6.13

*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.