

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

Macroeconomic Overview

Duration, trade headlines, and the non-dollar assets' ability to generate positive total returns in the face of higher U.S. interest rates were the main focus of the 1st quarter. U.S. dollar sovereign spreads finished about 0.20% wider for the quarter. Trade tensions and crowded positions dominated the direction of spreads for the first three months as January witnessed a calm market and significant spread tightening only to watch it evaporate over the next two months. Given the move in rates, investment grade sovereigns underperformed high yield by over 1% with the most duration sensitive area (Asia), being the worst performer. Emerging market corporates fared a bit better during the first quarter driven mainly by less duration sensitivity and significant outperformance during January and February only to underperform during March. Local currency assets were the star performer at the index level returning north of 4.4% for the quarter. South Africa and Mexico generated more than 10% total returns with the reform story boosting South African assets and Mexico benefiting from light positioning and more focus on a positive North American Free Trade Agreement (NAFTA) outcome. Turkey continues to struggle as asset returned -4.58% with no real willingness of authorities to reassert their independence despite the underperformance of domestic assets.

Fund Overview

U.S. dollar sovereigns generated positive relative returns during the quarter with additions through the primary calendar and a bias to own growth sensitive down in quality sovereigns. This offset an overweight in Argentina which was the largest drag on returns. Kenya, Nigeria and Egypt all offered significant upside in the new issue market and our long standing underweight in Turkish U.S. dollar securities all generated significant total returns. Argentina and Indonesia led the way on the downside as Argentina struggled due to both investor positioning and stubborn inflation dynamics; meanwhile, being out the curve in Indonesia hurt as it underperformed with U.S. Treasuries. Overall corporate position was a slight positive on a relative basis but still generated a negative total return. Good security selection in Brazil and consistent exposure in corporates that are deleveraging, like JBS USA LUX S.A. (0.24% as of 3/31/18) and Companhia Siderurgica Nacional (0.00% as of 3/31/18), outweighed a lackluster earnings release from Jamaican based Digicel Group, Ltd. (0.46% as of 3/31/18) and owning duration in Argentinian corporates like YPF SA (0.56% as of 3/31/18), that underperformed the market. Local currency assets were the star of the portfolio. Adding to South Africa in December helped total returns and overweight's in Malaysia, Russia and Brazil continued to add to returns. Remaining underweight Turkey post the 4th quarter headache proved beneficial as local Turkey gave up its December rally in the first three months of the year.

Outlook

Despite asset price performance and widening of spreads, Logan Circle remains constructive on emerging markets versus other fixed income assets. Logan Circle is more wary of investor positioning but believes that fundamentals will outweigh market technicals and remain committed to areas where they feel fundamental drivers remain in tact. Positioning and outlook could change quickly depending on the outcome of the recent trade spat with China as well as election outcomes in Latin Americas.

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. There are no sales charges on Class I. Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, pension plans, and certain endowment plans and foundations.

**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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30-Day SEC Yield

Class A – Subsidized	4.57%
Class A – Unsubsidized	4.57%

Fixed Income Statistics

Average Price	\$97.91
Average Maturity	9.61 years
Average Duration	4.98 years

Source: Logan Circle

The **30 day SEC Yield** is computed in accordance with a standardized method prescribed by rules of the SEC. The 30 day SEC Yield is computed by dividing the fund's investment income per share earned during a particular 30 day base period by the maximum offering price per share on the last day of the base period, and then annualizing the result. The 30 day SEC Yield is calculated at each month end and updated within the first ten business days of the following month. The subsidized 30 day SEC yield reflects the reimbursements or waivers of certain expenses. Had fees not been waived and/or expenses reimbursed, the yield would be lower. The unsubsidized 30 day SEC yield does not reflect reimbursements or waivers of expense fees.

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.

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 1.12% and 0.82% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.12% and 0.82% for Class A and Class I shares, respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.

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 J.P. Morgan Emerging Markets Bond Index Global (JPM EM 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.

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.

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

Mutual Funds are sold by prospectus. Before investing, consider the funds' investment objectives, risks, charges, and expenses. This and other important information is contained in the prospectus. Please go to www.transamerica.com or contact your financial professional to obtain a prospectus or, if available, a summary prospectus containing this information. Please read it carefully before investing.

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.
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Top 10 Holdings

	% of Holdings
Malaysia Government Bond, 4.05%, due 09/30/2024	1.88
Argentina Republic Government International Bond, 6.87%, due 01/11/2048	1.71
Russian Federation Federal Bond - OFZ, 7.05%, due 01/19/2028	1.65
Brazil Notas do Tesouro Nacional, Series F, 10.00%, due 01/01/2025	1.64
Brazil Notas do Tesouro Nacional, Series F, 10.00%, due 01/01/2027	1.47
Bonos de la Tesoreria de la Republica en pesos, 4.50%, due 03/01/2026	1.35
Republic of South Africa Government Bond, 8.75%, due 01/31/2044	1.27
Argentina Republic Government International Bond, 4.62%, due 01/11/2023	1.09
Eskom Holdings SOC, Ltd., 5.75%, due 01/26/2021	1.02
Colombia TES, Series B, 7.50%, due 08/26/2026	1.02
Percentage of total portfolio	14.10

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 A (at NAV)	0.39	0.39	7.32	6.59	3.19	N/A	6.06
Class A (at POP)	-4.34	-4.34	2.20	4.87	2.20	N/A	5.28
Class I (at NAV)	0.47	0.47	7.61	6.92	3.54	N/A	6.41
JPM EM Bond Index Global	-2.02	-2.02	3.34	5.48	3.86	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	12.40	12.74	-4.35	1.91	-5.25	26.11	N/A
Class I (at NAV)	12.68	13.20	-4.10	2.40	-5.06	26.58	N/A
JPM EM Bond Index Global	9.59	10.19	1.23	5.53	-6.58	18.54	N/A