

# Transamerica Event Driven

## Class I TENIX

### Investment Objective

The fund seeks positive absolute returns.

### Sub-adviser

Advent Capital Management, LLC (Advent)



### Portfolio Manager

Odell Lambroza  
Tracy V. Maitland

### Product Profile

The fund utilizes a multi-strategy approach to event driven investing across corporate capital structures. Catalyst-driven idiosyncratic opportunities and mispriced securities are identified using a fundamental approach.

- ➔ Portfolio consists of long and short investment ideas to exploit capital structure inefficiencies.
- ➔ The fund can opportunistically shift between asset classes and regions in seeking to both capture profits and generate uncorrelated returns under various market conditions.
- ➔ Ability to reduce risk by employing proprietary risk management and hedging techniques.
- ➔ Long history in successfully executing alternative and traditional investment strategies.

### Fund Facts

Inception Date (I)	11/11/16
Benchmark Index	BofA Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index
Morningstar Category	Multi-alternative
Lipper Category	Alternative Event Driven
Dividend Frequency	Annually

### Macroeconomic Overview

Global equity and corporate credit markets declined in the first quarter, accompanied by a market increase in volatility. U.S. equity markets experienced a strong start to the quarter on the back of the passage of the U.S. tax reform bill and robust economic indicators. Inflation fears may have been the catalyst to reverse the rally in the equity markets that took a steep dive in late January. After falling to negative year-to-date returns in only two weeks, the markets rebounded in February only to trade lower by the end of the quarter as investors began worrying about tariffs potentially crimping corporate profits. European economies slowed, hurt by capacity bottlenecks created by last year's strong growth and the impact of the rising Euro on exporters. Japanese markets were weaker on similar economic deceleration reports, notably industrial production and purchasing manager indices, a strengthening yen, lower confidence in the Abe government, and fears about a tougher U.S. trade stance affecting Japanese exports.

### Fund Overview

Transamerica Event Driven generated positive performance in spite of challenging market conditions as global equity and credit markets declined in the first quarter accompanied by a sharp increase in volatility. The Fund's exposure to long volatility and convertible bond positions benefited in this environment. The Fund's long volatility position in cloud computing company Nutanix, Inc. was a top contributor. Based on Advent's fundamental research expectation, the company's capital structure was mispriced. The company issued "cheap volatility" in January via a new issue convertible security. As the equity rose 20% during the quarter and market volatility rose, the implied options in the convertible richened. The Fund's position in Navistar International Corp. (1.55% as of 3/31/18) lost money as increased talk of trade wars and tariffs weighed on all cyclicals. German car manufacturer Volkswagen (0.00% as of 3/31/18) and corporate activist Carl Ichan own 17% stakes in the company. Based on Advent's research, it is expected that Volkswagen will acquire the company and the sell-off was an opportunity to increase the Fund's position. The limited upside and negative asymmetry offered by high yield bonds in the face of rising rates remains the basis for the Fund's minimal high yield exposure.

### Outlook

Absent are the Goldilocks' days that investors have been accustomed to over the last few years, replaced by a "new normal" of a shrinking U.S. Federal Reserve balance sheet, higher interest rates and rising volatility. Advent believes the current market backdrop has created a very conducive environment and compelling dynamics for their event driven and volatility strategies. Advent continues to believe that volatility, after spending years trading near tough levels, remains one of the most undervalued asset classes. Because of the idiosyncratic nature of event investing, the strategy has the potential to generate positive returns at any point in the equity or credit cycle. Advent will keep a close eye on inflation and seek to take advantage of the possibility of its acceleration and larger market swings in 2018.

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.

**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
Siem Industries, Inc., 2.25%, due 06/02/2021	3.74
Etsy, Inc., Zero Coupon, due 03/01/2023	3.03
Nutanix, Inc., Zero Coupon, due 01/15/2023	2.52
Deutsche Bank AG, 1.00%, due 05/01/2023	2.50
Twitter, Inc., 1.00%, due 09/15/2021	2.48
Sony Corp., Series 6, Zero Coupon, due 09/30/2022	2.37
Neurocrine Biosciences, Inc., 2.25%, due 05/15/2024	2.36
Okta, Inc., 0.25%, due 02/15/2023	2.23
Kansai Paint Co., Ltd., Zero Coupon, due 06/17/2022	2.10
Jazz Investments I, Ltd., 1.87%, due 08/15/2021	2.08
<b>Percentage of total portfolio</b>	<b>25.41</b>

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

### Equity Statistics

Median Market Cap	<b>\$11.86 (B)</b>
Weighted Average Market Cap	<b>\$164.00 (B)</b>

**B** = Billions

**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.**

**The gross expense ratios for this fund are 1.90% and 1.93% for Advisor Class and Class I shares, respectively. The net expense ratios for this fund are 1.56% and 1.56% for Advisor Class 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 BofA Merrill Lynch U.S. Dollar LIBOR 3 Month Constant Maturity Index 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 value of your investment may be more volatile to the extent that the fund borrows or uses derivatives or other investments that have a leveraging effect on the fund. Other risks also will be compounded. This is because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. The fund also may have to sell assets at inopportune times to satisfy its obligations. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. Fixed income securities have several risks including fluctuations in market value, changes in interest rates as the values will decrease as interest rates rise, and issuers defaulting on their obligations to pay interest or return principal.

**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](http://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.**

### Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class I (at NAV)	1.35	1.35	5.65	N/A	N/A	N/A	6.89
BofA Merrill Lynch USD LIBOR 3 Month Constant Maturity Index	0.32	0.32	1.20	N/A	N/A	N/A	–

### Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class I (at NAV)	5.39	N/A	N/A	N/A	N/A	N/A	N/A
BofA Merrill Lynch USD LIBOR 3 Month Constant Maturity Index	1.11	N/A	N/A	N/A	N/A	N/A	N/A

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.