

Transamerica Floating Rate

Class A TFLAX | Class I TFLIX

Investment Objective

The fund seeks to achieve a high level of current income with capital appreciation as a secondary objective.

Sub-adviser

Aegon Asset Management US (Aegon AM US)



Portfolio Managers

John F. Bailey, CFA
 Jason P. Felderman, CFA
 Zach Halstead
 James K. Schaeffer, Jr.

Product Profile

The funds invests at least 80% of the net assets in floating rate loans or floating rate debt securities.

- ➔ Combination of a global “top down” analysis and a “bottom up” fundamental analysis.
- ➔ In the qualitative “top down” approach, Aegon AM US analyzes various factors that affect the movement of markets and securities prices worldwide.
- ➔ In its “bottom up” analysis, Aegon AM US considers various fundamental and other factors, such as creditworthiness, capital structure, collateral, and covenants.

Fund Facts

Inception Date (A-I)	10/31/13 - 10/31/13
Benchmark Index	Credit Suisse Leveraged Loan Index
Morningstar Category	Bank Loan
Lipper Category	Loan Participation
Dividend Frequency	Monthly

Macroeconomic Overview

The loan market posted decent returns in the first quarter on pretty steady supply/demand drivers and modest volatility, especially relative to other credit markets. January in particular was a strong month as the risk-on tone and sentiment around rising interest rates peaked. Compared to the fourth quarter of 2017, the secondary market flow was much more two-way, especially as volatility returned in February and March. Loan issuance was decent during the quarter at \$167 billion. Although it was down by 20%, year-over-year, new money deals were welcomed by investors given the continued growth in the collateralized loan obligation (CLO) market and retail inflows. The U.S. Federal Reserve hikes in December 2017 and March 2018 helped fuel an increase in 3-month London Interbank Offered Rate (LIBOR) to 2.31% at quarter-end, up 0.62% during the quarter. Retail flows were positive during the quarter, at roughly \$3 billion. CLO pricings were also strong at \$32.1 billion, basically double the first quarter 2017 amount. Given the continued rise in LIBOR and strong flows into the asset class, re-pricings remained a constant feature of the primary calendar. The default rate hit a 3 year high at 2.42%, as some large issuers filed for bankruptcy during the quarter, including iHeartMedia, which was \$6.3 billion, the fifth largest loan market default ever. Overall, defaults are expected to remain at or below long-term averages for the next couple years.

Fund Overview

By sector, selection decisions in consumer durables, food and drug, and food & tobacco were the top positive contributors to returns, despite the overweight positioning in each sector acting as a slight offset. Exposures to retail, healthcare and housing were the top detractors from returns. BBB-rated holdings were the top and only contributors; all other rating classes detracted. Transamerica Floating Rate remained overweight bonds and underweight loans.

Outlook

2018 is still largely expected to be a coupon-clipping year given already high loan prices and the lack of a known catalyst to cause major market disruption. Given that LIBOR is higher but offset by re-pricings, Aegon AM US expects full-year returns could potentially be in the 4.5% - 5.5% range. New issuance is not expected to be as robust in 2018, but volumes should still be reasonable given the healthy economy, merger & acquisition activity (including leveraged buyouts), and issuers looking to re-price. CLO issuance is expected to continue at a moderate pace as a broadening investor base (especially from Asia) and rising rates are supporting the CLO market's growth. Spreads are actually expected to tighten even with another strong issuance year in 2018. Underwriting quality should continue to worsen as this bullish leg of business cycle extends. The bank loan market is seeing higher leverage at the secured level, fewer covenants, and more earnings before interest, taxes, depreciation and amortization add-backs. With the economy continuing its modest expansion, there hasn't been much reckoning yet as cash flow coverage is strong, there is ample covenant headroom, and few looming maturities in the market.

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	3.57%
Class A – Unsubsidized	3.55%

Fixed Income Statistics

Average Price	\$99.32
Average Maturity	4.79 years
Average Duration	0.44 years

Source: Aegon AM US

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 1.09% and 0.86% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.06% and 0.81% 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 Credit Suisse Leveraged Loan 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.

Investing in high-yield bonds (junk bonds) may be subject to greater volatility and risks as the income derived from these securities is not guaranteed. Changes in interest rates, the market's perception of the issuers, and the creditworthiness of the issuers may significantly affect the value 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.
1801 California St. Suite 5200, Denver, CO 80202
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Top 10 Holdings

	% of Holdings
Coveris Holdings SA, Term Loan B, 6.55%, due 06/29/2022	0.74
Realogy Group LLC / Realogy Co-Issuer Corp., 5.25%, due 12/01/2021	0.69
Societe Generale, 1.64%, due 04/02/2018	0.69
Atlantic Asset Securitization LLC, 1.69%, due 04/02/2018	0.69
Nestle Cap Corp., 1.70%, due 04/02/2018	0.69
Starbird Funding Corp., 1.72%, due 04/02/2018	0.69
Chesham FNC / Chesh LLC, 1.75%, due 04/02/2018	0.69
Ebury Finance, Ltd., 1.75%, due 04/02/2018	0.69
Barton Capital Corp., 1.77%, due 04/02/2018	0.69
United Healthcare Co., 1.81%, due 04/02/2018	0.69
Percentage of total portfolio	6.95

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)	1.11	1.11	3.62	3.95	N/A	N/A	3.62
Class A (at POP)	-3.74	-3.74	-1.33	2.26	N/A	N/A	2.48
Class I (at NAV)	1.17	1.17	3.77	4.06	N/A	N/A	3.78
Credit Suisse Leveraged Loan Index	1.58	1.58	4.64	4.33	N/A	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	3.57	7.75	1.56	1.55	N/A	N/A	N/A
Class I (at NAV)	3.72	7.80	1.69	1.82	N/A	N/A	N/A
Credit Suisse Leveraged Loan Index	4.25	9.88	-0.39	2.06	N/A	N/A	N/A