

# 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 USA Investment Management, LLC (AUIM)



## 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, AUIM analyzes various factors that affect the movement of markets and securities prices worldwide.
- ➔ In its “bottom up” analysis, AUIM 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 fourth quarter of 2018 proved to be a risk-off period for credit markets, and bank loans were not immune from the pressure. December was a particularly bad month, as fund outflows, a slowing pace of U.S Federal Reserve (Fed) hikes and macro concerns led to broad-based selling of loans. Collateralized loan obligation (CLO) demand seasonally fell in December, which led to a lack of traditional loan buyers to soak up all of the outflows, making the price decline even worse. The news was not all bad for the loan market, however, as the bargaining power on new issue shifted back to the investor, leading to wider spreads and tighter documentation on new deals, which AUIM expects to see continue into the first half of 2019.

## Fund Overview

Performance this quarter was driven by favorable security selection and allocation decisions. By ratings category, the selection within B-rated loans was especially strong and the underweight to CCCs was beneficial. By sector, the top positive contributors to excess returns this quarter included holdings in retail, media/telecom and forest products/containers. The largest detractors included holdings in information technology, services and housing. The allocation to high yield bonds also helped performance this quarter.

## Outlook

Looking beyond the volatile fourth quarter of 2018, AUIM expects 2019 to be a year marked by transition. That quarter's negative return has led to much wider spreads and lower prices available to start 2019. These levels have historically served as good entry points into the loan market. The anticipated macro headwinds remain and include concerns around trade, quantitative tightening and slowing global growth. However, fundamentals remain solid as most issuers' earnings have been strong and maturities are pushed off well into the future, resulting in another year of below average defaults. New issuance is not expected to be as robust in 2019 given the recent volatility, but volumes could pick up if market conditions improve.

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	<b>4.68%</b>
Class A – Unsubsidized	<b>4.64%</b>

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. Be advised that the 30-Day SEC Yield calculation does not account for return of capital. Please refer to the most recent Annual Report for additional information regarding the composition of distributions. 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.

## Top 10 Holdings

	% of Holdings
Hoffmaster Group, Inc., 1st Lien Term Loan, 6.52%, due 11/21/2023	0.87
GFL Environmental, Inc., Term Loan B, 5.52%, due 05/30/2025	0.82
KIK Custom Products, Inc., Term Loan B, 6.52%, due 05/15/2023	0.78
Avaya, Inc., Term Loan B, 6.70%, due 12/15/2024	0.76
RegionalCare Hospital Partners Holdings, Inc., 8.25%, due 05/01/2023	0.75
Spin Holdco, Inc., Term Loan B, 5.68%, due 11/14/2022	0.74
Onex Carestream Finance, LP, 1st Lien Term Loan, 8.40%, due 06/07/2019	0.74
Milacron LLC, Term Loan B, 5.02%, due 09/28/2023	0.71
Quorum Health Corp., Term Loan B, 9.27%, due 04/29/2022	0.71
Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC, 5.75%, due 10/15/2020	0.69
<b>Percentage of total portfolio</b>	<b>7.57</b>

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)	-3.07	-0.19	-0.19	3.66	2.81	N/A	2.83
Class A (at POP)	-7.63	-4.97	-4.97	1.99	1.82	N/A	1.86
Class I (at NAV)	-2.91	0.25	0.25	3.87	3.02	N/A	3.04
Credit Suisse Leveraged Loan Index	-3.08	1.14	1.14	5.03	3.33	N/A	–

\* Average Annual Total Return

## Calendar Year Performance (%)

	2018	2017	2016	2015	2014	2013	2012
Class A (at NAV)	-0.19	3.57	7.75	1.56	1.55	N/A	N/A
Class I (at NAV)	0.25	3.72	7.80	1.69	1.82	N/A	N/A
Credit Suisse Leveraged Loan Index	1.14	4.25	9.88	-0.38	2.06	N/A	N/A

**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.

**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.**

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, Inc. (TCI) member of FINRA.

AUIM is an affiliate of Aegon companies. Transamerica companies are part of the Aegon group.

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