

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
 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

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.

Macroeconomic Overview

The loan market posted average returns in 3Q, although there was modest weakness in August on heavy supply and a string of retail outflows. Most sectors were positive, but AUIM is seeing declines in retail and wireline names, as both industries face a secularly declining outlook. Besides a couple weeks of traditional summer slowdown in late August, the primary calendar was elevated throughout the quarter. Private equity-backed financing was prevalent, as were re-pricings and re-financings. Re-pricings did slow down a bit as many borrowers had already cut spreads in past quarters. Collateralized loan obligation (CLO) pricings were strong, with S&P reporting that issuance was around \$30 billion for 3Q. The arbitrage math remains workable as liability and asset spreads have both come down in tandem.

Fund Overview

CCC-rated paper was the largest contributor to active returns, while higher-rated BBB securities were the least positive contributor. By sector, manufacturing, financials and healthcare were the largest detractors. Retail, food/tobacco, and housing were the largest contributors. Given their secular bearishness on retail, AUIM holds core underweight positions in the retail sector, which underperformed in the benchmark, leading to positive contributions to active returns.

Outlook

The forward calendar is not expected to be as robust as it's possible many deals were brought forward into 3Q, setting up for a quieter 4Q. CLO issuance is expected to continue at a moderate pace. The broadening investor base, especially more participants out of Asia, is supporting the CLO market's growth and tightening of liability spreads vs other structured product asset classes. Underwriting quality has continued to worsen as the cycle lengthens. The loan market is seeing higher leverage at the secured level, less covenants, and more EBITDA add-backs. With the economy continuing its modest expansion, there hasn't been much reckoning yet, but the seeds are being sown for the asset class to suffer accordingly in the next downturn.

**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
Dell, Inc., Term Loan A2, 3.45%, due 09/07/2021	0.84
PSAV Holdings LLC, Term Loan B, 4.78%, due 04/27/2024	0.80
Tempo Acquisition LLC, Term Loan, 4.23%, due 05/01/2024	0.79
NEP/NCP Holdco, Inc., Term Loan, 4.48%, due 07/21/2022	0.71
Spin Holdco, Inc., Term Loan B, 5.01%, due 11/14/2022	0.71
Flex Acquisition Co., Inc., 1st Lien Term Loan, 4.29%, due 12/29/2023	0.71
Solera LLC, Term Loan B, 4.48%, due 03/03/2023	0.70
Varsity Brands, Inc., 1st Lien Term Loan, 4.73%, due 12/11/2021	0.70
Coveris Holdings SA, Term Loan B, 5.58%, due 06/29/2022	0.69
Reynolds Group Holdings, Inc., Term Loan, 4.23%, due 02/05/2023	0.68
Percentage of total portfolio	7.33

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)	0.88	2.77	4.26	4.07	N/A	N/A	3.59
Class A (at POP)	-3.94	-2.14	-0.74	2.41	N/A	N/A	2.31
Class I (at NAV)	0.84	2.85	4.41	4.18	N/A	N/A	3.74
Credit Suisse Leveraged Loan Index	1.05	3.04	5.36	3.96	N/A	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	7.74	1.56	1.55	N/A	N/A	N/A	N/A
Class I (at NAV)	7.78	1.69	1.82	N/A	N/A	N/A	N/A
Credit Suisse Leveraged Loan Index	9.88	-0.39	2.06	N/A	N/A	N/A	N/A

Fixed Income Statistics

Average Price	\$99.10
Average Maturity	4.79 years
Average Duration	0.40 years

Source: AUIM

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.

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.

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 0.86% 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 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.

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.

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.

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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