

Transamerica Intermediate Muni

Class A TAMUX | Class I TIMUX

Investment Objective

The fund seeks to maximize total return through a combination of current income that is exempt from federal income tax and capital appreciation.

Sub-adviser

Belle Haven Investments, L.P. (Belle Haven)



Portfolio Managers

Matthew Dalton
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Product Profile

An actively managed strategy that seeks to identify inefficiencies throughout the municipal bond market with the goal of maximizing total return primarily through a combination of capital appreciation and current income that is exempt from federal income tax

- ➔ Focus on fundamental credit analysis, security selection, and best execution on transactions
- ➔ An opportunistic approach that gives the fund the flexibility to invest in issuers across the credit and maturity spectrum
- ➔ Tax-advantaged income

Fund Facts

Inception Date (A-I)	10/31/12 - 10/31/12
Benchmark Index	Bloomberg Barclays Muni Managed Money Intermediate Index
Morningstar Category	Muni National Interm
Lipper Category	Intermediate Municipal Debt
Dividend Frequency	Monthly

Macroeconomic Overview

The market was busy this quarter, experiencing more volatility than recent quarters. January saw the muni curve steepen considerably, February experienced some volatility early on in addition to a continued yield curve steepening (though less dramatic than January), and March was dominated by both economic and political headlines as the muni curve reversed course and flattened over the month. The big news in March was the first Federal Open Market Committee (FOMC) meeting with U.S. Federal Reserve (Fed) Chair Jerome Powell at the helm, followed by talks of potential trade wars ignited by tariffs. The Fed raised rates another 0.25%, though no major market shifts occurred subsequently, as the decision was in line with investor expectations. Market sentiment deteriorated after the President's announcement about tariffs on steel and aluminum in addition to imports from China. Municipal fund flows were positive in March and muni issuance was up nearly 50% month-over-month, which helped in establishing balanced technicals for the month.

Fund Overview

Transamerica Intermediate Muni outperformed its benchmark for the quarter -1.28% versus -1.39%. The Fund's duration positioning was generally a performance detractor, especially in the first two months of the quarter where the long end of the curve saw the greatest underperformance as yields edged higher. The Fund was also overweight A-rated credits by nearly 20% relative to the index, which was the largest contributor to outperformance this quarter. The Fund was overweight in hospital credits, one of the top-performing sectors this quarter, which also contributed to excess return relative to the index. Similarly, the Fund was slightly underweight in the transportation sector, which saw some of the lowest returns of any sector this quarter.

Outlook

With the announcement of potential trade tariffs throwing yet another wrench into the economy's path, the market has seemed to take a pause after a roaring first two months of the year. Supply/demand technicals have been favorable thus far, and Belle Haven doesn't expect this to change dramatically, though tax-related selling, historically-lower redemptions, and an increase in the 30-day visible supply all may cause some disruption in the near-term. Belle Haven will continue to monitor the trajectory of the 2/10 Year U.S. Treasury spreads, which sits at just about 0.50% currently. Though the spread jumped following the steady increase in yields in January, this figure has tumbled over the last month as the muni curve flattened. If the curve continues to flatten to a point of inversion, things could get interesting. An inverted yield curve has preceded every post-World War II recession, and with the recent tariff talk re-awakening certain geo-political tensions, the possibility is becoming more palpable.

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.

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.

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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	2.14%
Class A – Unsubsidized	2.05%

Fixed Income Statistics

Average Price	\$104.62
Average Maturity	7.04 years
Average Duration	5.90 years

Source: Belle Haven

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 3.25%. Performance for other share classes will vary.

The gross expense ratios for this fund are 0.78% and 0.59% for Class A and Class I shares, respectively. The net expense ratios for this fund are 0.68% and 0.59% 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 Bloomberg Barclays Muni Managed Money Intermediate Index (Bloomberg Barclays MMMI 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.

Municipal bond prices can rise or fall depending on interest rates. Interest rates may go up, causing the value of the fund's investments to decline. All municipal bonds carry credit risk that the issuer will default or be unable to make timely payments of interest and principal. Generally, lower rated bonds carry more credit risk.

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
New Jersey Economic Development Authority, Series PP, AGM-CR, 5.00%, due 06/15/2025	1.11
Commonwealth of Pennsylvania, Series A, AGM-CR, 4.00%, due 09/15/2030	0.96
Commonwealth of Pennsylvania, Series A, AGM-CR, 4.00%, due 09/15/2031	0.72
University of Texas System, Series B, 2.50%, due 08/15/2036	0.72
Will County School District No. 86, Series C, AGM-CR, 5.00%, due 03/01/2024	0.64
City of Rockport, Series A, 2.75%, due 06/01/2025	0.51
Ohio Air Quality Development Authority, Series E, 5.62%, due 10/01/2019	0.46
Massachusetts Development Finance Agency, Series K, 4.00%, due 07/01/2038	0.46
New Jersey Economic Development Authority, Series A, BAM-TCRS, 5.00%, due 06/15/2030	0.45
Warren Consolidated Schools, Series B, BAM, 5.00%, due 05/01/2024	0.44
Percentage of total portfolio	6.47

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)	-1.28	-1.28	2.52	2.25	3.84	N/A	4.67
Class A (at POP)	-4.46	-4.46	-0.85	1.12	3.16	N/A	4.03
Class I (at NAV)	-1.25	-1.25	2.62	2.37	3.94	N/A	4.78
Bloomberg Barclays MMMI Index	-1.39	-1.39	1.83	1.85	2.25	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	5.62	-0.36	4.72	11.30	1.10	N/A	N/A
Class I (at NAV)	5.61	-0.21	4.92	11.41	1.33	N/A	N/A
Bloomberg Barclays MMMI Index	4.88	-0.27	3.40	6.83	-1.85	N/A	N/A