

# Transamerica MLP & Energy Income

Class A TMLAX | Class I TMLPX

## Investment Objective

The fund seeks long-term growth of capital while providing current income.

## Sub-adviser

Kayne Anderson Capital Advisors, L.P.  
(Kayne Capital)

**Kayne Anderson**

*Capital Advisors, L.P.*

## Portfolio Manager

John C. Frey

## Product Profile

The fund focuses primarily on long-term growth of capital while providing current income by investing in companies involved in the energy sector

- ➔ Portfolio consists of master limited partnerships (MLPs), MLP-related entities, energy infrastructure companies and other issuers in the energy sector
- ➔ MLP holdings cap of 25% creates tax advantages over pure MLP funds; however, the 25% cap limits the investor's ability to experience the potential advantages of investing in a greater percentage of MLPs
- ➔ Experienced investment firm with expertise in energy infrastructure and MLPs

## Fund Facts

Inception Date (A-I)	04/30/13 - 04/30/13
Benchmark Index	S&P 500®, Alerian MLP Total Return Index
Morningstar Category	Energy Limited Partnership
Lipper Category	Energy MLP
Dividend Frequency	Quarterly

**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

Transamerica MLP & Energy Income (Fund) reported a net return of negative 11.67% for the quarter. With positive energy sector momentum as a backdrop, 2018 began with a more constructive outlook for energy infrastructure. This came after substantial progress was made in 2017 on improving corporate balance sheets, boosting coverage ratios, reducing external equity financing needs, and lowering cost of capital through the elimination of master limited partnership (MLP) incentive distribution rights. Investors have been hopeful that 2018 will be the year that energy infrastructure equity valuations will come to finally reflect the improving fundamental backdrop for the North American energy sector. In January, the sector seemed to shrug off rising U.S. Treasury yields and continue its rebound from November lows, supported by constructive industry production growth, strong quarterly earnings results, positive Fund flows and firming prices for crude and other energy commodities. However, performance turned negative in February and March, the combined result of broad-based weakness in equity markets and the energy sector specifically, as well as an unexpected decision by the Federal Energy Regulatory Commission (FERC) to change how certain regulated pipeline rates are calculated. While the FERC decision should have an immaterial fundamental impact on the sector overall outside of a few specific MLPs, it has created a broader cloud of regulatory uncertainty that has further weighed on already challenged energy infrastructure sentiment.

## Fund Overview

Performance among MLP and energy infrastructure sub-sectors was negatively biased for the quarter. Upstream and refining MLPs posted the only positive performance, while gas and liquids transportation & storage and general partners sub-sectors were the most challenged. Fund specific outperformance compared to the Alerian MLP Index Trust (AMZX) for the quarter was predominantly driven by our underweight allocations in liquids and gas transportation & storage MLPs as well as diversified MLPs. However, performance was muted by the detractions attributable to our overweight allocation to non-AMZX index related positions.

## Outlook

As Kayne Capital looks forward, they continue to see a significant disconnect between the fundamental outlook for the energy infrastructure sector and investor sentiment and equity valuations. This disconnect has only gotten wider after the weak equity performance in February and March. Kayne Capital believes MLPs and energy infrastructure corporations are as inexpensive as they have been at any time since the financial crisis in 2008/2009. Meanwhile, the strong fundamental story continues, supported by record levels of U.S. hydrocarbon production, continued growth in U.S. energy exports supported by growing global demand, and an industrial renaissance in the domestic petrochemical industry fueled by structurally low-cost, abundant U.S. hydrocarbons. Kayne Capital expects that the recent FERC decision could accelerate remaining consolidations of complex midstream structures into simpler, more investable corporations – a trend that favors the Fund's strategy.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
ONEOK, Inc.	6.59	7.86	0.38
Cheniere Energy, Inc.	2.64	-0.72	0.10
Summit Midstream Partners LP	0.17	10.24	0.05

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Macquarie Infrastructure Corp.	2.54	-40.33	-1.34
Enbridge Energy Management LLC	3.67	-30.02	-1.13
Tallgrass Energy GP LP, Class A	3.45	-25.00	-0.96

\*Source: Morningstar Direct

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
ONEOK, Inc.	7.53
Kinder Morgan, Inc.	5.52
Pembina Pipeline Corp.	5.12
Williams Cos., Inc.	5.01
Plains GP Holdings, LP, Class A	4.64
Targa Resources Corp.	4.30
TransCanada Corp.	4.06
Cheniere Energy Partners, LP Holdings LLC	3.82
GasLog Partners, LP	3.63
Enterprise Products Partners, LP	3.44
<b>Percentage of total portfolio</b>	<b>47.07</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>\$9.63 (B)</b>
Weighted Average Market Cap	<b>\$17.77 (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. Public offering price (POP) returns include reinvestment of dividends and capital gains and reflect the maximum sales charge of 5.50%. Performance for other share classes will vary.**

**The gross expense ratios for this fund are 1.58% and 1.29% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.58% and 1.29% 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 S&P 500® and Alerian MLP Total Return Index are unmanaged indices used as general measures 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 MLPs involves risks related to limited control, cash flow changes, dilution risks, and risk linked to the general partner's right to require unit holders to sell their common units at an undesirable time or price. The energy industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels, energy conservation, the success of exploration projects, and tax and other government regulations.

The fund is subject to certain MLP tax risks. As the fund is registered as a Regulated Investment Company, the fund does not pay taxes. Changes to government regulations may impact future returns. The fund is classified as "non-diversified", which means it may invest a larger percentage of its assets in a smaller number of issuers or sectors than a diversified fund. To the extent the fund invests its assets in fewer issuers, the fund will be more susceptible to negative events affecting those issuers.

**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. and distributed by Transamerica Capital, Inc.  
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## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	-11.67	-11.67	-14.35	-10.60	N/A	N/A	-4.51
Class A (at POP)	-16.50	-16.50	-19.02	-12.28	N/A	N/A	-5.60
Class I (at NAV)	-11.60	-11.60	-14.19	-10.32	N/A	N/A	-4.26
S&P 500®	-0.76	-0.76	13.99	10.78	N/A	N/A	-
Alerian MLP Total Return Index	-11.12	-11.12	-20.07	-11.24	N/A	N/A	-

\* Average Annual Total Return

## Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	-0.38	29.65	-37.19	3.35	N/A	N/A	N/A
Class I (at NAV)	-0.21	30.18	-36.98	3.59	N/A	N/A	N/A
S&P 500®	21.83	11.96	1.38	13.69	N/A	N/A	N/A
Alerian MLP Total Return Index	-6.52	18.31	-32.59	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.