

# 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 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®, Transamerica MLP & Energy Income Blended Benchmark
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

Market sentiment towards the energy infrastructure sector seemed to firm during the third quarter (Q3), especially in the month of September. The price for energy commodities including crude oil and natural gas liquids increased in Q3, while natural gas prices were roughly flat. The improvement in prices came despite an ongoing recovery in onshore U.S production volumes and industry disruptions caused by Hurricane Harvey. Investors also took comfort in the ability of energy infrastructure companies to access alternative forms of capital. These included assets sales, joint ventures and private capital in the form of convertible preferred equity or common equity private placements. Investors have been increasingly pushing companies to focus on improving balance sheets and dividend coverage as well as improved corporate governance for master limited partnership (MLP) limited partners – all trends Kayne Anderson believes will ultimately be constructive to a recovery in sector equity valuations.

## Fund Overview

Transamerica MLP & Energy Income reported a net return of positive 1.75% for the quarter. The fund registered positive performance in Q3, while most major MLP and energy infrastructure indices were lower for the quarter. Fund outperformance compared to the Alerian MLP Total Return Index (AMZX) was driven by our overweight allocation to companies focused on renewables and Canadian infrastructure, and our relative underweight exposure to gathering & processing MLPs. This was partially offset by the negative contributions delivered by our overweight allocation to certain non-AMZX C-Corporation positions that underperformed during the quarter.

## Outlook

While the rapid recovery in U.S. shale production volumes has had a negative impact on commodity prices, it is a long-term positive for the fee-based, volume-driven businesses of MLPs and energy infrastructure companies. Kayne Anderson remains in the early stages of a multi-year recovery, and are pleased with the portfolio's ability to with stand a volatile market environment by performing well since the market bottomed in early 2016. Kayne Anderson is comfortable with the portfolio's positioning and actively continue to rotate to areas of opportunity. Despite weak price-driven energy sector sentiment, we continue to see a very strong fundamental outlook for MLPs and energy infrastructure companies, driven by the emergence of the U.S. as a global "Energy Superpower". This structural shift is driving significant new infrastructure investment, which ultimately drives distribution growth for our investments, on top of already attractive current yields.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Tallgrass Energy GP, LP, Class A	5.27	13.89	0.72
Pembina Pipeline Corp.	5.03	8.37	0.42
Enbridge, Inc.	5.61	7.74	0.42

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Kinder Morgan, Inc.	4.96	0.72	-0.77
Williams Cos., Inc.	3.94	0.11	-0.55
Energy Transfer Partners LP	3.04	-5.98	-0.19

\*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
TransCanada Corp.	6.87
Enbridge, Inc.	5.87
Tallgrass Energy GP, LP, Class A	5.72
Pembina Pipeline Corp.	5.48
ONEOK, Inc.	4.86
Kinder Morgan, Inc.	4.69
Enbridge Energy Management LLC	4.11
NextEra Energy Partners, LP	3.75
Williams Cos., Inc.	3.67
Targa Resources Corp.	3.49
Percentage of total portfolio	48.51

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>\$8.24 (B)</b>
Weighted Average Market Cap	<b>\$22.41 (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 1.57% and 1.26% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.57% and 1.26% 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.

The S&P 500® and Transamerica MLP & Energy Income Blended Benchmark (50% Alerian MLP Index and 50% Bloomberg Barclays Investment-Grade Credit 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.

**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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MQCMLP1017

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	1.75	-0.45	2.55	-10.28	N/A	N/A	-2.32
Class A (at POP)	-3.90	-5.95	-3.09	-11.95	N/A	N/A	-3.56
Class I (at NAV)	1.84	-0.34	2.86	-10.03	N/A	N/A	-2.06
S&P 500®	4.48	14.24	18.61	10.81	N/A	N/A	-
Transamerica MLP & Energy Income Blended Benchmark	-0.83	-0.30	-0.73	-4.44	N/A	N/A	-

\* Average Annual Total Return

## Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	29.65	-37.19	3.35	N/A	N/A	N/A	N/A
Class I (at NAV)	30.18	-36.98	3.59	N/A	N/A	N/A	N/A
S&P 500®	11.96	1.38	13.69	N/A	N/A	N/A	N/A
Transamerica MLP & Energy Income Blended Benchmark	12.27	-17.55	6.40	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.

## Risk Measures\*

3 years

Alpha	-2.87
Beta	1.63
R-Squared	78.80
Standard Deviation	18.64

\*Risk measures are in comparison to the fund's blended benchmark unless otherwise indicated. Based on Class A shares at NAV for the 3-year period.

**Alpha** is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.