

# 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)

**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

The impact of the shale revolution has enabled the U.S. to become one of the largest exporters of energy over the last few years; a trend that Kayne Anderson believes has only just begun and will drive the midstream industry for years to come. Despite a challenging 2017, operating conditions are clearly improving for the energy industry, which finds itself in a unique environment of rising volumes and rising commodity prices; ideally positioning the midstream sector for a recovery. Master limited partnerships (MLPs), as measured by the Alerian MLP Total Return Index (AMZX), were up 9.0% since the November 29th low through the end of the year. This rally was due in large part to improved business fundamentals and a more constructive industry backdrop.

## Fund Overview

Transamerica MLP & Energy Income reported a net return of positive 0.1% for the quarter. Performance among all MLP and energy infrastructure sub-sectors was widely dispersed for the quarter. Variable, refining, and shipping & offshore sub-sectors posted the best performance, while traditional gathering & processing, gas transportation & storage and diversified sub-sectors were the most challenged. Fund specific outperformance compared to the AMZX for the quarter was primarily driven by an underweight allocation and individual stock selection to transportation & storage MLPs. Performance was muted however, by the negative contributions from the overweight allocation to non-AMZX index related positions.

## Outlook

Kayne Anderson believes that midstream companies will continue to play a critical role in connecting North American resources to meet domestic and foreign demand, while management teams continue making positive strides in optimizing business models. Positive industry fundamentals compounded with the passing of year-end tax loss selling and other technical factors have investors bullish on the prospects for the sector. Given the compelling valuations on both an absolute and relative basis, further enhanced by recent tax reform that is expected to benefit the sector, 2018 is poised to be an eventful year for the industry. Prospects look very good going forward and Kayne Anderson believes the fund is well positioned for continued recovery.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Cheniere Energy, Inc.	3.01	19.54	0.54
GasLog Ltd.	1.67	28.46	0.44
Cheniere Energy Partners LP Holdings LLC	3.11	12.30	0.36

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Tallgrass Energy GP LP, Class A	4.64	-7.59	-0.56
Enbridge Energy Management LLC	4.14	-11.24	-0.48
Enbridge, Inc.	5.21	-4.56	-0.31

\*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.	6.37
Kinder Morgan, Inc.	5.48
Williams Cos., Inc.	5.07
Pembina Pipeline Corp.	4.93
ONEOK, Inc.	4.56
Enbridge, Inc.	4.04
Enbridge Energy Management LLC	3.95
Targa Resources Corp.	3.86
Plains GP Holdings, LP, Class A	3.86
Tallgrass Energy GP, LP	3.71
Percentage of total portfolio	45.83

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>\$10.44 (B)</b>
Weighted Average Market Cap	<b>\$20.80 (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 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 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)	0.07	-0.38	-0.38	-6.73	N/A	N/A	-2.18
Class A (at POP)	-5.46	-5.89	-5.89	-8.48	N/A	N/A	-3.36
Class I (at NAV)	0.13	-0.21	-0.21	-6.45	N/A	N/A	-1.92
S&P 500®	6.64	21.83	21.83	11.41	N/A	N/A	-
Alerian MLP Total Return Index	-0.95	-6.52	-6.52	-9.33	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.