

# Transamerica Multi-Managed Balanced

Class A IBALX | Class I TBLIX

## Investment Objective

The fund seeks to provide a high total investment return through investments in a broadly diversified portfolio of stocks, bonds, and money market instruments.

## Sub-advisers

### Fixed Income

Aegon USA Investment Management, LLC (AUIM)



USA Investment Management, LLC

### Equity

J.P. Morgan Investment Management Inc. (J.P. Morgan)

## J.P.Morgan

Asset Management

## Product Profile

Traditional balanced fund designed to seek a high total investment return

- ➔ J.P. Morgan manages equity portion similar to those of the S&P 500®
- ➔ AUIM manages fixed income portion using a combination of a global "top down" analysis and a "bottom up" fundamental analysis, which invests in investment grade securities

## Fund Facts

<b>Inception Date (A-I)</b>	12/02/94 - 11/30/09
<b>Benchmark Index</b>	S&P 500®, Bloomberg Barclays U.S. Aggregate Bond Index, Transamerica Multi-Managed Balanced Blended Benchmark
<b>Morningstar Category</b>	Allocation--50% to 70% Equity
<b>Lipper Category</b>	Mixed-Asset Target Allocation Growth
<b>Dividend Frequency</b>	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

**AUIM:** As the structural reform agenda stalled in Washington, DC, the deflation trade faded, WTI crude oil prices were down 15% in the second quarter, and the U.S. dollar continued weakening. Credit spreads were tight and valuations somewhat stretched, reflecting a broadly positive earnings season and a price supportive issuance environment. 10-year U.S. Treasury yields fell by roughly 0.50% since March, reflecting soft inflation data. The U.S. Federal Reserve (Fed) moved forward with its second rate hike this year and signaled they would soon begin the process of reversing quantitative easing. The U.S. Treasury curve (2s10s) was 0.35% flatter peak-to-trough, but steepened into quarter-end. While moderates prevailed in French and U.K. elections, geopolitical concerns in the Middle East and East Asia remained, though low volatility appeared to reflect complacency—equity markets in the U.S. continued to set all-time highs.

**J.P. Morgan:** U.S. equity markets extended their gains in the second quarter as better than expected corporate earnings were able to offset softer than expected economic releases. The S&P 500® reached its 26th new all-time high of the year closing at 2453.46 on June 19th. The second quarter also saw the beginning of a reversal of market leadership as investors rotated out of the technology sector and into financials. Despite losing ground, large cap stocks maintained their outperformance over small cap stocks. Large cap stocks as represented by the S&P 500® rose 3.1% while small cap stocks measured by the Russell 2000® Index gained 2.5%. While value outperformed growth in June, the Russell 3000® Growth Index return of 4.7% has significantly outpaced the 1.3% advance for the Russell 3000® Value Index.

## Fund Overview

**AUIM:** The second quarter's performance was driven almost exclusively by spread compression. Positions in U.S. Treasuries and investment grade corporates made the most prevalent contributions. Security selection was a key performance driver in government bonds, but in investment grade credit it was the overweight allocation that generated positive active contributions. Asset-backed securities and commercial mortgage-backed securities were the largest detractors from an asset class perspective. From a credit quality perspective, exposures to higher quality credits (AAA and BBB) contributed most positively to active returns, though selection decisions in A-rated credits was the largest detractor.

**J.P. Morgan:** The equity sleeve of the fund underperformed its benchmark during the quarter. Stock selection in the retail, pharma/medtech and media sectors weighed on returns, while stock selection in the technology, health services & systems and utilities sectors helped results. At the security level, overweights in Twenty First Century Fox, Inc., Class A (0.57% as of 6/30/2017) and Walgreens Boots Alliance, Inc. (0.49% as of 6/30/2017) and an underweight in McDonalds (0.00% as of 6/30/2017) hurt performance while overweights in Constellation Brands, Inc., Class A (0.39% as of 6/30/2017) and Adobe Systems, Inc. (0.74% as of 6/30/2017) and an underweight in Intel (0.00% as of 6/30/2017) added value.

## Outlook

**AUIM:** The Fed is proceeding with normalization and its balance sheet will likely shrink, though AUIM doesn't expect another hike this year. Inflation pressures remain moderate, but the forward market has this fully embedded. The prime risk to the market's expectation is that inflation picks up, nominal interest rates move higher, and the curve steepens. A quicker-than-expected tightening could lead to dollar appreciation, which could be a headwind. Synchronized global growth upswings, likely underway, have historically been good for credit, helping fundamentals and decreasing leverage. Though AUIM's 2017 real gross domestic product growth forecast was lowered to 2.15%, AUIM has a favorable outlook on the U.S. consumer and private domestic demand, in addition to housing-related credit given improving labor markets, lower gas prices, and housing affordability.

**J.P. Morgan:** J.P. Morgan's fundamental outlook for continued U.S. economic expansion and associated growth in corporate earnings remains intact. Higher equity valuations in the U.S., particularly for low volatility stocks, present some cause for concern, as does the economic slowdown in China. An improving global growth environment, a stable U.S. dollar and higher energy prices have supported J.P. Morgan's outlook for growth in corporate profits. While subject to revision, J.P. Morgan forecasts S&P 500® earnings for this year to grow over last year. J.P. Morgan acknowledges that U.S. stock valuations may now be higher than their long-term average in absolute terms, but continue to look attractive relative to cash and bonds. The J.P. Morgan growth team believes that the trends driving growth stocks are sustainable.

**Not insured by FDIC or any federal government agency. May lose value.  
Not a deposit or guaranteed by any bank, bank affiliate, or credit union.**

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## Risk Measures\*

3 years

	Portfolio
Alpha	-1.06
Beta	1.02
R-Squared	98.40
Standard Deviation	6.43

\*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.

## Equity Statistics

Median Market Cap	<b>\$36.55 (B)</b>
Weighted Average Market Cap	<b>\$185.00 (B)</b>

**B** = Billions

## Fixed Income Statistics

Average Price	\$102.89
Average Maturity	8.09 years
Average Duration	5.78 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.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Bank of America Corp.	1.47	41.72	0.51
Wells Fargo & Co.	1.70	25.50	0.39
Citigroup, Inc.	1.48	26.25	0.35

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Accenture	1.29	2.35	-0.09
Bristol Myers Squibb	0.94	-6.33	-0.08
Philip Morris International	0.83	24.53	-0.05

## Top 10 Holdings

	% of Holdings
Apple, Inc.	2.33
Microsoft Corp.	2.01
Federal National Mortgage Association, 3.00%, TBA	1.96
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Facebook, Inc., Class A	1.19
Amazon.com, Inc.	1.19
Bank of America Corp.	1.10
Alphabet, Inc., Class A	1.05
Alphabet, Inc., Class C	1.03
Wells Fargo & Co.	1.00
<b>Percentage of total portfolio</b>	<b>14.43</b>

Holdings are subject to change and are not recommendations to buy or sell a security. Holdings excludes net other assets (liabilities).

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## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	1.98	6.32	10.77	5.94	9.15	6.71	9.04
Class A (at POP)	-3.64	0.46	4.69	3.96	7.93	6.10	8.76
Class I (at NAV)	2.06	6.43	11.02	6.23	9.48	6.75	8.45
S&P 500®	3.09	9.34	17.90	9.61	14.63	7.18	–
Bloomberg Barclays U.S. Aggregate Bond Index	1.45	2.27	-0.31	2.48	2.21	4.48	–
Transamerica Multi-Managed Balanced Blended Benchmark	2.43	6.48	10.33	6.85	9.64	6.40	–

\* Average Annual Total Return

## Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	7.50	-0.20	10.34	17.38	12.03	3.30	23.92
Class I (at NAV)	7.78	0.07	10.68	17.80	12.57	3.79	24.12
S&P 500®	11.96	1.38	13.69	32.39	16.00	2.11	15.06
Bloomberg Barclays U.S. Aggregate Bond Index	2.65	0.55	5.97	-2.02	4.22	7.84	6.54
Transamerica Multi-Managed Balanced Blended Benchmark	8.31	1.28	10.62	17.56	11.31	4.69	12.13

Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, qualified retirement plans, certain endowment plans and foundations and Directors, Trustees and employees of the funds' affiliates.

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 5.50%. Performance for other share classes will vary.**

**The gross expense ratios for this fund are 1.08%, 1.81%, 0.82%, and 0.71% for Class A, C, I, and R6 shares, respectively. The net expense ratios for this fund are 1.08%, 1.81%, 0.82%, and 0.71% for Class A, C, I, and R6 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.

S&P 500®, Bloomberg Barclays U.S. Aggregate Bond Index, and Transamerica Multi-Managed Balanced Blended Benchmark (60% S&P 500® and 40% Bloomberg Barclays U.S. Aggregate Bond 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.

The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. Fixed income securities have several risks including fluctuations in market value, changes in interest rates as the values will decrease as interest rates rise, and issuers defaulting on their obligations to pay interest or return principal.

**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.**