

Transamerica Multi-Manager Alternative Strategies Portfolio

Class A IMUAX | Class I TASIX

Investment Objective

The portfolio seeks long-term capital appreciation.

Sub-adviser

Goldman Sachs Asset Management, L.P.



Asset Management

Portfolio Managers

Christopher Lvoff, CFA
Lucy Xin
Raymond Chan, CFA

Product Profile

A one-ticket core alternative investment solution investing in a combination of underlying funds.

- ➔ The fund expects to invest primarily in underlying Transamerica funds that use alternative investment strategies as their principal investment strategies and/or that invest primarily in alternative asset classes.
- ➔ In managing the fund's portfolio of investments, the sub-adviser intends to implement an asset allocation for the fund using quantitative and qualitative techniques and factors.
- ➔ The fund's approach to asset allocation seeks to budget the fund's long term investment risk exposure across several risk factors.
- ➔ An important component of the sub-adviser's process is allocating risk across asset classes and strategies which may increase diversification and, potentially, reduce volatility.

Fund Facts

| | |
|----------------------|--|
| Inception Date (A-I) | 12/28/06 - 11/30/09 |
| Benchmark Index | BofA Merrill Lynch 3-Month Treasury Bill + 3% Wrap, HFRX Global Hedge Fund Index |
| Morningstar Category | Multialternative |
| Lipper Category | Alternative Multi-Strategy Funds |
| Dividend Frequency | Annually |

Macroeconomic Overview

The global synchronized recovery continued in the third quarter of 2017 with benign inflationary pressures. Both developed market and emerging market equities delivered positive returns with emerging outperforming developed equities. U.K. equities underperformed broader global equities, mainly due to a stronger pound on the back of higher inflation and hawkish commentary out of the Bank of England. The U.S. Federal Reserve (Fed) confirmed that they will start normalizing their balance sheet starting in October 2017 and continued to signal that they are looking to hike once more this year if the economy continues to evolve as expected. The third quarter saw yields drop in July and August due to weaker inflation and heightened geopolitical tensions from North Korea. However, they bounced back sharply in September as a result of an inflation print surprising to the upside leading to slightly hawkish commentary out of the Fed. Policy reform also came back into the limelight as the Trump administration gave a fresh impetus to tax reforms in September. In Europe, economic growth remained robust while political uncertainty increased with the results of the German election.

Fund Overview

Transamerica Multi-Manager Alternative Strategies Portfolio posted strong performance over the third quarter of 2017. Positive performance was driven by the alternative strategies, notably those with the most unconstrained investment breadth. The long/short equity, event driven and multi-factor macro strategies were the largest contributors to return. The traditional long-only assets in the portfolio were also positive across the board with emerging market equity and debt being the top performers. Emerging assets did very well over the third quarter, benefiting from accommodative monetary policy, a weaker U.S. dollar, and a constructive long-term investor sentiment. Other macro factors such as fairly low interest rates outside the U.S. supported asset classes such as global public real estate. Lastly, a cycle aware view (a process that adapts to changes in the economic and business cycle) to be short duration via treasury futures in the U.S. was a strong contributor to returns, benefiting from the almost 0.30% move in the 10 year at the end of the quarter. There were no material detractors from performance over the quarter.

Outlook

Goldman expects the global economy to continue expanding during 2017, improving on the progress it made in 2016 with limited but positive return on equities. The market may be underestimating the pace of Fed rate hikes, given that the U.S. labor market is at or beyond full employment. Along the same lines, they expect the lower than expected inflation numbers to be a temporary phenomenon as they are not consistent with U.S. economic data. As for fixed income, Goldman is bearish on government bonds and believes an inflation scare could result in a temporary sell-off in risk assets. In this environment, alternative strategies may outperform traditional managers through their ability to go short asset classes, regions, countries or sectors, and through their ability to implement relative value positions and manage tail risk.

Top 10 Holdings

| Fund Name | Sub-Adviser | % of Holdings |
|--|--|---------------|
| Transamerica Unconstrained Bond | PineBridge Investments LLC | 18.08 |
| Transamerica Global Multifactor Macro | AQR Capital Management, LLC | 13.53 |
| Transamerica Event Driven | Advent Capital Management, LLC | 11.41 |
| Transamerica Long/Short Strategy | J.P. Morgan Investment Management Inc. | 10.58 |
| Transamerica Managed Futures Strategy | AQR Capital Management, LLC | 10.49 |
| Transamerica Inflation Opportunities | PineBridge Investments LLC | 9.97 |
| Transamerica Emerging Markets Debt | Logan Circle Partners, LP | 6.82 |
| Transamerica High Yield Bond | Aegon USA Investment Management, LLC | 6.06 |
| Transamerica Global Real Estate Securities | CBRE Clarion Securities LLC | 3.51 |
| Transamerica MLP & Energy Income | Kayne Anderson Capital Advisors, L.P. | 2.78 |
| Percentage of total portfolio | | 93.23 |

Each portfolio allocates its assets among Class I2 shares of various underlying funds of Transamerica Funds. Not all classes are available to investors. Holdings are subject to change and are not recommendations to buy or sell a security. Holdings excludes net other assets (liabilities).

**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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Total Return Performance (%)

| | 3 Mo | YTD | 1 Yr | 3 Yr* | 5 Yr* | 10 Yr* | Inception* |
|---|-------|-------|-------|-------|-------|--------|------------|
| Class A (at NAV) | 1.65 | 3.47 | 1.89 | -0.10 | 1.62 | 1.40 | 1.82 |
| Class A (at POP) | -3.91 | -2.19 | -3.73 | -1.96 | 0.47 | 0.82 | 1.29 |
| Class I (at NAV) | 1.66 | 3.70 | 2.16 | 0.22 | 1.94 | 1.31 | 1.62 |
| BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap | 1.02 | 2.86 | 3.72 | 3.37 | 3.27 | 3.53 | – |
| HFRX Global Hedge Fund Index | 1.83 | 4.43 | 5.64 | 0.45 | 1.98 | -0.54 | – |

* Average Annual Total Return

Calendar Year Performance (%)

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|------|-------|-------|------|------|-------|------|
| Class A (at NAV) | 2.35 | -5.73 | 2.97 | 3.68 | 8.54 | -3.31 | 6.39 |
| Class I (at NAV) | 2.73 | -5.50 | 3.32 | 4.04 | 8.93 | -3.05 | 6.93 |
| BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap | 3.38 | 3.10 | 3.08 | 3.12 | 3.16 | 3.15 | 3.17 |
| HFRX Global Hedge Fund Index | 2.50 | -3.64 | -0.58 | 6.72 | 3.51 | -8.87 | 5.19 |

Prior to July 7, 2017, the fund had a different sub-adviser, and used different investment strategies.

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.

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.

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.

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 2.04% and 1.72% for Class A and Class I shares, respectively. The net expense ratios for this fund are 2.04% and 1.72% 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.

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.

The Bank of America Merrill Lynch 3-Month Treasury Bill + 3% Wrap Index ("BofA Merrill Lynch 3-Month Treasury Bill Index + 3% Wrap") is an unmanaged index used as a general measure of market performance. The HFRX Global Hedge Fund Index is a passively-managed index that is compiled by Hedge Fund Research, Inc. It is designed to measure the daily performance of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Returns presented are net of underlying manager fees, but do not reflect the deduction of management fees, taxes and other expenses. Calculations assume dividends and capital gains are reinvested and do not include any managerial expenses.

Diversification may not guarantee a profit or protect against a loss.

The fund intends to utilize individual strategies and hedging techniques in matched combinations that may have lower correlation to broader equity and fixed income markets. Some of these strategies include long/short equity and tactical investment strategies (debt and/or equity); global real estate securities; commodities; managed futures, global macro and non-traditional investments (such as emerging market stocks). There is no assurance that these strategies will protect against losses. Certain hedging techniques and leverage employed in the management of the fund may accelerate the velocity of possible losses.

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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