

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. (GSAM)



Asset Management

Portfolio Managers

Christopher Lvoff, CFA
Raymond Chan, CFA
Lucy Xin

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 Index, HFRX Global Hedge Fund Index
Morningstar Category	Multialternative
Lipper Category	Alternative Multi-Strategy Funds
Dividend Frequency	Annually

Macroeconomic Overview

The fourth quarter of 2017 saw the conclusion of a year with more positive surprises than negatives. Both developed market and emerging market equities continued their rally through the end of the year, with emerging markets outperforming developed equities. The U.S. and Europe continued to post strong macro data suggesting that the current expansion remains healthy whereas numbers from China were mixed with stronger Purchasing Managers Index (PMI) but softer exports data. European equities continued to underperform as EUR strength weighed on equity returns. Japanese equities outperformed as JPY weakness and Prime Minister Abe winning super-majority helped to bolster investor sentiment. The Trump administration revealed their pick for the new U.S. Federal Reserve (Fed) chairperson in November and thereafter delivered on its tax cut promise in December earlier than anticipated. At its December Federal Open Market Committee meeting, the Fed upgraded its growth projections after taking into account the potential impact of tax cut. Despite sizeable upgrades to growth projections, the median projections for the policy rate were unchanged in 2018 and 2019.

Fund Overview

Transamerica Multi-Manager Alternative Strategies Portfolio posted strong performance over the fourth quarter of 2017. Positive performance was driven by the alternative strategies in the fund. The managed futures, long/short equity and event-driven strategies were the largest contributors to return. The global multifactor macro strategy was the only detractor within the alternative strategies. The traditional long-only assets in the fund broadly contributed to performance, with the exception of high yield fixed income. Overall, emerging market equity and debt continued to be the top performers over the quarter, as emerging countries broadly outperformed their developed counterparts. The continuation of the low interest rate environment outside of the U.S. supported global public real estate, which was a positive contributor. 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 Fed's decision to hike rates towards the end of the quarter. There were no other material detractors from performance.

Outlook

GSAM expects the global economic expansion to continue at a steady pace, though more moderately in the near term than during 2017. 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, GSAM expects 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, GSAM 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	18.16
Transamerica Global Multifactor Macro	AQR Capital Management, LLC	13.54
Transamerica Event Driven	Advent Capital Management, LLC	11.32
Transamerica Long/Short Strategy	J.P. Morgan Investment Management Inc.	10.59
Transamerica Managed Futures Strategy	AQR Capital Management, LLC	10.57
Transamerica Inflation Opportunities	PineBridge Investments LLC	10.08
Transamerica Emerging Markets Debt	Logan Circle Partners, LP	6.94
Transamerica High Yield Bond	Aegon USA Investment Management, LLC	5.97
Transamerica MLP & Energy Income	Kayne Anderson Capital Advisors, L.P.	2.88
Transamerica Global Real Estate Securities	CBRE Clarion Securities LLC	2.51
Percentage of total portfolio		92.56

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)	1.42	4.95	4.95	0.42	1.57	1.53	1.91
Class A (at POP)	-4.13	-0.80	-0.80	-1.46	0.42	0.95	1.39
Class I (at NAV)	1.57	5.32	5.32	0.74	1.91	N/A	2.85
BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap	1.03	3.92	3.92	3.46	3.32	3.45	-
HFRX Global Hedge Fund Index	1.50	5.99	5.99	1.54	2.12	-0.41	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	4.95	2.35	-5.73	2.97	3.68	8.54	-3.31
Class I (at NAV)	5.32	2.73	-5.50	3.32	4.04	8.93	-3.05
BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap	3.92	3.38	3.10	3.08	3.12	3.16	3.15
HFRX Global Hedge Fund Index	5.99	2.50	-3.64	-0.58	6.72	3.51	-8.87

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.

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

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.

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.

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 or contact your financial professional to obtain a prospectus or, if available, a summary prospectus containing this information. Please read it carefully before investing.