

# 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.  
(Goldman Sachs)



## Asset Management

## Portfolio Managers

Raymond Chan, CFA  
Christopher Lvoff, 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.

## Macroeconomic Overview

After a strong finish to 2017, the first quarter of 2018 saw increased volatility and global equity markets experienced their first pullback after rallying for eight straight quarters. Equities peaked in the last week of January, followed by an initial trigger of stronger than expected wage growth data out of the U.S. in early February sparking a pull back. Wage growth data led to the repricing of the U.S. rate hike path and weighed on equities, with the selloff extending due to rising concerns around trade protectionism and worsening sentiment around U.S. technology stocks. U.S. technology stocks sold off in the second half of March due to concerns around user data privacy causing investors to begin pricing in a higher probability of tighter regulations in the sector. The first quarter also saw some moderation in developed market macroeconomic data, particularly in Europe and Japan, while emerging market data remained robust. Emerging markets equity outperformed their developed market peers due to this stronger data, attractive valuations, and higher commodity prices. Within fixed income, the U.S. 10 year yield increased over the quarter driven by the U.S. Federal Reserve's (Fed) decision to raise the policy rate in March in conjunction with a gradual pickup in inflation and a higher expected fiscal deficit.

## Fund Overview

Transamerica Multi-Manager Alternative Strategies (Fund) posted modest positive returns over the first quarter of 2018. Traditional assets overall contributed positively to Fund performance, notably emerging markets equity and debt, which was however partially offset by investment grade and high yield. The alternative strategies posted mixed performance over the quarter. AQR Capital Management, LLC (AQR) Transamerica Global Multifactor Macro was the top performer over the quarter, with the Advent Capital Management, LLC Transamerica Event Driven and J.P. Morgan Investment Management, Inc. Transamerica Long/Short Strategy further contributing to returns. On the other hand, the Kayne Anderson Capital Advisers, L.P. Transamerica MLP & Energy Income and the AQR Transamerica Managed Futures Strategy struggled. 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 in March.

## Outlook

Goldman Sachs expects the global economic expansion to continue in 2018, but at a slower pace than 2017 which may cause temporary volatility. Goldman Sachs believes markets will need to balance the positives from a continued expansion with headwind from rising bond yields, and eventually a moderation in growth momentum. Along the same lines, Goldman Sachs 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, Goldman Sachs 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	18.03
Transamerica Global Multifactor Macro	AQR Capital Management, LLC	13.61
Transamerica Event Driven	Advent Capital Management, LLC	11.25
Transamerica Long/Short Strategy	J.P. Morgan Investment Management Inc.	10.57
Transamerica Managed Futures Strategy	AQR Capital Management, LLC	10.53
Transamerica Inflation Opportunities	PineBridge Investments LLC	10.05
Transamerica Emerging Markets Debt	Logan Circle Partners, LP	6.89
Transamerica High Yield Bond	Aegon USA Investment Management, LLC	6.11
Transamerica Emerging Markets Equity	ClariVest Asset Management LLC	5.77
Transamerica MLP & Energy Income	Kayne Anderson Capital Advisers, L.P.	3.45
Percentage of total portfolio		96.26

**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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## 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
Dividend Frequency	Annually

**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 2.16% and 1.83% for Class A and Class I shares, respectively. The net expense ratios for this fund are 2.16% and 1.83% for Class A and Class I shares, respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.**

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 subject to market risk, including the loss of principal. Past performance is not indicative of future results.**

**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)	0.10	0.10	3.53	-0.09	1.27	1.59	1.88
Class A (at POP)	-5.38	-5.38	-2.16	-1.96	0.12	1.01	1.37
Class I (at NAV)	0.20	0.20	3.89	0.24	1.60	N/A	2.79
BofA Merrill Lynch 3-Month Treasury Bill +3% Wrap	1.11	1.11	4.18	3.58	3.39	3.39	-
HFRX Global Hedge Fund Index	-1.02	-1.02	3.20	0.51	1.29	-0.24	-

\* 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

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).