

Transamerica Unconstrained Bond

Class I TUNIX

Investment Objective

The fund seeks to maximize total return through a combination of interest income and capital appreciation.

Sub-adviser

PineBridge Investments LLC (PineBridge)



Portfolio Managers

Roberto Coronado
 Peter Hu, CFA
 Michael J. Kelly, CFA
 Steven Oh, CFA
 Robert A. Vanden Assem, CFA

Product Profile

A dynamic fixed income strategy that utilizes a flexible investment approach to address changing market conditions.

- ➔ Ability to invest in broader debt sectors than traditional fixed income funds.
- ➔ Global exposure including high yield and emerging markets.
- ➔ Ability to manage interest rate risk through active duration management.

Fund Facts

Inception Date (I)	12/08/14
Benchmark Index	BofA Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index
Morningstar Category	Nontraditional Bond
Lipper Category	Alternative Credit Focus
Dividend Frequency	Monthly

Macroeconomic Overview

The first quarter of 2018 was a tale of two halves for credit markets. Spreads were continuing along their 2017 trajectory tighter throughout most of January amid solid gains for equity markets and higher oil prices. The narrative for corporate fundamentals continued to improve with upgrades to global growth expectations and optimism around the impact of GOP tax reform. However, enthusiasm began to wane towards the end of January and beginning of February as U.S. Treasury yields surged to reach the highest levels investors have seen since 2014. Negative investor sentiment translated into outflows from mutual funds and exchange traded funds (ETF), creating a negative technical environment and driving spreads wider. This continued as evidence of stronger global growth and wage gains lead to concerns around inflation and the potential for a more accelerated pace of central bank policy tightening. In March, investors had to contend with a U.S. Federal Reserve (Fed) rate hike, softer global growth data, negative headlines related to several large technology companies and the threat of an escalating trade war between the United States and China.

Fund Overview

The I-Share class of Transamerica Unconstrained Bond (Fund) generated a negative total return of -0.39% net of fees during the quarter underperforming the BofAML 3-Month Libor index return of 0.32% but outperforming the Barclays Aggregate Index return of -1.46%. In general, amid a backdrop of wider credit spreads and higher interest rates, longer duration and higher spread segments generally fared worse during the quarter. The Fund was negatively impacted most by allocations in Argentinean hard currency sovereign debt, U.S. high yield bonds and European contingent convertibles. On the other hand, the Fund benefitted from allocations to floating-rate asset classes such as investment grade corporate floaters, investment grade and below investment grade collateralized loan obligation (CLO) debt tranches and bank loans. These asset classes benefitted from an increase in U.S. Treasury bill and Libor rates and strong demand from investors. A hedged duration profile, in the form of a short 10-year U.S. Treasury futures position, contributed significantly to performance as stronger growth and inflation numbers earlier in the quarter drove U.S. Treasury rates higher across all maturities. Local currency denominated holdings in Peruvian debt also contributed during the period.

Outlook

PineBridge continues to find attractively priced credits in higher spread segments of fixed income. Fundamentals remain supportive as issuers continue to report generally positive earnings growth and outlooks remain constructive. That said, the pace of earnings growth will likely slow and PineBridge continues to see more aggressive leverage profiles. Despite increased volatility, expectations remain that the default rate will continue to stay below historical averages. PineBridge is closely monitoring the two major risks facing credit investors today: an upside inflation surprise leading to a more hawkish central bank narrative and a rapidly evolving geopolitical backdrop negatively impacting global trade. While a prolonged renegotiation of global trade is underway, we think the end result is unlikely to be a trade war. On the contrary, since the degree to which countries currently protect their markets differs greatly, diminishing these differences should lead to more trade – after a period of angst. Global growth is transitioning from a pace marked by fevered inventory-building to a more sustainable level driven by investment. PineBridge maintains an optimistic bias given somewhat lower prices, rapidly accelerating cash flows, and a rates curve than can rise only at the pace of the slowly dissipating savings glut.

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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Fixed Income Statistics

Average Price	\$99.39
Average Maturity	8.10 years
Average Duration	2.00 years

Source: PineBridge Investments LLC

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.

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.

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class I (at NAV)	-0.39	-0.39	2.17	3.49	N/A	N/A	3.62
BofA Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index	0.32	0.32	1.20	0.75	N/A	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class I (at NAV)	6.12	7.54	-0.68	N/A	N/A	N/A	N/A
BofA Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index	1.11	0.66	0.23	N/A	N/A	N/A	N/A

Top 10 Holdings

	% of Holdings
State Street Institutional U.S. Government Money Market Fund	15.03
Argentina Republic Government International Bond, 5.25%, due 01/15/2028	3.61
Peru Government International Bond, 6.35%, due 08/12/2028	1.17
Uruguay Government International Bond, 9.87%, due 06/20/2022	1.17
Indonesia Treasury Bond, 10.00%, due 02/15/2028	0.96
GMAC Capital Trust I, Series 2, 7.62%	0.91
JPMorgan Chase & Co., 7.90%, due 04/30/2018	0.90
Indonesia Treasury Bond, 8.37%, due 09/15/2026	0.85
Indonesia Treasury Bond, 8.37%, due 03/15/2024	0.84
Bank of America Corp., 5.39%, due 04/30/2018	0.67
Percentage of total portfolio	26.11

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

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. There are no sales charges for Class I shares.

The gross expense ratio for the Class I shares of this fund is 0.91%. The net expense ratio for the Class I shares of this fund is 0.91%. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.

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 BofA Merrill Lynch U.S. Dollar LIBOR 3-Month Constant Maturity Index is an unmanaged index used as a general measure 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 the fund entails interest rate risk, pre-payment risk, and credit risk as well as additional risks in that it may invest in high-yield/non-investment grade bonds. The fund may also invest in foreign securities, including emerging markets, which carry currency risk if denominated in non-dollar or non-USD and are difficult to trade during periods of stress. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of a bond. Derivatives involve risks in addition to the risks of underlying securities, particularly counterparty and liquidity risk.

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