

# ClearTrack® Retirement Income

Class R1 TCITX | Class R6 TCJTX

## Investment Objective

The fund seeks the highest total return (that is, a combination of income and long-term capital appreciation) over time consistent with its asset mix.

## Sub-adviser

QS Investors, LLC (QS)



## Portfolio Managers

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Thomas Picciochi  
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## Product Profile

ClearTrack® target date funds offer one-step retirement options that make it easy to achieve the right investment balance as investors journey both to and through retirement.

- ➔ Diversified investment approach: Allocate to a diverse set of asset classes and independent investment managers to help minimize risk.
- ➔ Dynamic rebalancing: Designed to help protect assets from substantial losses around retirement.
- ➔ Expanded equity allocation: Expanded allocation to equity assets with an adjustable approach to help capture growth.

## Fund Facts

Inception Date (R1-R6)	03/02/15 - 03/02/15
Benchmark Index	Bloomberg Barclays US Aggregate Bond Index, ClearTrack® Retirement Income Blended Benchmark
Morningstar Category	Target-Date Retirement
Lipper Category	Mixed-Asset Target Today
Dividend Frequency	Annually

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.

## Macroeconomic Overview

Global equity growth continued in the third quarter, returning 4.8%, driven by U.S. equities, which returned 7.7%. International-developed stocks returned 2.4% in the quarter. Emerging market equities were roughly flat over the quarter (0.1%). Emerging market equity performance is often tied to the U.S. dollar, which was also roughly flat in the period, returning 0.2%. Though there is greater dispersion in global equity returns in 2018 than 2017, the asset class's broad strength this year is a contrast to global fixed income, which has struggled. In the third quarter, global bonds returned -0.9%. U.S. bond markets fared slightly better, with a return of 0.0%. Global stock and bond performance reflects the market's preference to remain "risk on" in spite of the longevity of the U.S. market's current bull run. This sentiment is amplified in the performance of gold, which returned -5.0% in the third quarter. Gold is typically a "flight to quality" asset that appreciates on fears of stock market contraction and depreciates when sentiment is positive.

## Fund Overview

Transamerica ClearTrack Retirement outperformed its benchmark, the Bloomberg Barclays US Aggregate Bond Index, in the third quarter 2018, net of fees. Outperformance was due to sub-asset class selection effects, chiefly in U.S. large cap equity. Allocation to U.S. small cap equity also added modest value. In absolute terms, the Fund's underlying holdings in developed markets equities were positive while fixed income had mixed returns over the quarter. The best performing asset class was U.S. large cap equity, while emerging markets equity had the largest negative return.

## Outlook

QS' economic outlook remains in negative territory at the end of September at a level similar to the end of August. The reason for this outlook is also similar: weakness in the QS' measurement of global trade activity is driving this view, strengthened by a decline in building permits, somewhat moderated by strength in initial jobless claims. This assessment of leading indicators is the largest drag on QS' outlook of global stocks versus bonds, which only modestly favors equities. A rise in interest rates also contributed to this assessment; when rates rise, borrowing costs increase, which typically erodes economic growth and stock market gains. Relative valuation between equities and fixed income, in addition to leverage growth in the economy, has provided consistent support to equities throughout the last year. QS' outlook on Europe has favored fixed income over stocks since May 2018. Weakening in regional economic indicators is the primary source for favoring risk-off in this region.

**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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## Holdings

	% of Holdings
iShares Core U.S. Aggregate Bond ETF	48.28
Schwab U.S. Large-Cap ETF	20.04
Vanguard Total International Bond ETF	7.29
iShares TIPS Bond ETF	6.89
Vanguard FTSE Developed Markets ETF	5.36
Schwab U.S. Small-Cap ETF	5.03
SPDR Bloomberg Barclays High Yield Bond ETF	3.34
Vanguard FTSE Emerging Markets ETF	1.34
iShares JP Morgan USD Emerging Markets Bond ETF	1.01
Schwab U.S. REIT ETF	0.53
<b>Percentage of total portfolio</b>	<b>99.11</b>

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

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception*
Class R6 (at NAV)	1.62	0.75	2.54	5.20	N/A	N/A	3.24
Bloomberg Barclays US Aggregate Bond Index	0.02	-1.60	-1.22	1.31	N/A	N/A	-
ClearTrack® Retirement Income Blended Benchmark	0.92	0.27	2.31	5.99	N/A	N/A	-

\* Average Annual Total Return

## Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class R6 (at NAV)	8.36	5.42	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays US Aggregate Bond Index	3.54	2.65	N/A	N/A	N/A	N/A	N/A
ClearTrack® Retirement Income Blended Benchmark	10.83	N/A	N/A	N/A	N/A	N/A	N/A

**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.**

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. There are no sales charges for Class R6 shares. Class R shares are available only to eligible retirement plans.**

**The gross expense ratios for this fund are 1.22% and 0.57% for Class R1 and R6 shares, respectively. The net expense ratios for this fund are 1.20% and 0.55% for Class R1 and R6 shares respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.**

The Bloomberg Barclays US Aggregate Bond Index and the ClearTrack Retirement Income Blended Benchmark (42% Bloomberg Barclays US Aggregate Bond Index, 15% Bloomberg Barclays Global Aggregate Index ex-U.S., 14% MSCI EAFE Index, 8% Russell 1000® Index, 8% Bloomberg Barclays US Corporate High Yield 2% Issuer Cap Index, 5% FTSE NAREIT Equity REITs Index, 5% Russell 2000® Index, and 3% MSCI Emerging Markets Index) are an unmanaged indices 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.

The ClearTrack® target date options invest in exchange-traded funds (ETFs) which may represent a variety of broad asset classes including equity, fixed income, inflation-hedging, and short-term defensive instruments and may be subject to all of the risks of these asset classes. ETFs generally present the same risks as an investment in a conventional fund that has the same investment objectives, strategies, and policies. The market price of an ETF's shares may be above or below the shares' net asset value; and an active trading market for an ETF's shares may not develop or be maintained. The allocations become more conservative over time: The fund's asset mix allocated to equities will decrease while the percentage allocated to fixed income will increase as the target date approaches. The higher the allocation is to equities, the greater the risk. The principal value of the investment option is never guaranteed, including at and after the target date. Diversification does not assure a profit or protect against market loss.

**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. (TAM) and distributed by Transamerica Capital, Inc. (TCI) member of FINRA.

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