

Transamerica Dynamic Income

Class A IGTX | Class I IGTX

Investment Objective

The fund seeks high current income as the primary objective with capital appreciation as a secondary objective.

Sub-adviser

QS Investors, LLC (QS)



Portfolio Managers

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Product Profile

An asset allocation fund with an income orientation

- ➔ High current income potential
- ➔ Dynamic approach that reallocates the portfolio to maximize income while controlling for risk and maintaining diversification

Fund Facts

| | |
|----------------------|---|
| Inception Date (A-I) | 10/31/11 - 10/31/11 |
| Benchmark Index | iBoxx \$ Liquid High Yield Index, Transamerica Dynamic Income Blended Benchmark |
| Morningstar Category | Allocation--15% to 30% Equity |
| Lipper Category | Mixed-Asset Target Allocation Conservative |
| Dividend Frequency | Monthly |

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 (USD), 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 on positive sentiment.

Fund Overview

Transamerica Dynamic Income's performance was positive, net of fees, for the third quarter of 2018. All but four of the Fund's underlying ETF holdings produced positive returns. The top performing ETF was the Global X MLP ETF returning +6.2%. The Fund underperformed relative to its benchmark on a net of fees basis. Sub-asset class selection was negative in both fixed income and equity. Overall, across holdings, the SPDR Bloomberg Barclays Short Term High Yield Bond ETF was the top contributor to the relative return. The most notable detractor was the Global SuperDividend US ETF. The Fund's five largest positions at month-end were in the SPDR Bloomberg Barclays Short Term High Yield Bond ETF, Global SuperDividend US ETF, Vanguard Long Term Bond ETF, VanEck JPMorgan Emerging Markets Local Currency ETF, and the VanEck Vectors Emerging Markets High Yield Bond ETF. These five positions collectively made up 75.20% of the Fund.

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.

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.

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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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.

Top 10 Holdings

| | % of Holdings |
|--|---------------|
| SPDR Bloomberg Barclays Short Term High Yield Bond ETF | 19.59 |
| Global SuperDividend US ETF | 19.50 |
| Vanguard Long-Term Bond ETF | 16.71 |
| VanEck Vectors J.P. Morgan EM Local Currency Bond ETF | 11.52 |
| VanEck Vectors Emerging Markets High Yield Bond ETF | 8.06 |
| Global X MLP ETF | 7.31 |
| iShares 20+ Year Treasury Bond ETF | 6.05 |
| Invesco S&P 500 High Dividend | 3.97 |
| iShares MBS ETF | 3.11 |
| iShares Emerging Markets High Yield Bond ETF | 2.93 |
| Percentage of total portfolio | 98.75 |

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 A (at NAV) | 1.00 | -1.95 | -0.64 | 5.26 | 3.13 | N/A | 3.69 |
| Class A (at POP) | -3.75 | -6.65 | -5.40 | 3.58 | 2.12 | N/A | 2.96 |
| Class I (at NAV) | 1.06 | -1.79 | -0.41 | 5.51 | 3.37 | N/A | 3.93 |
| iBoxx \$ Liquid High Yield Index | 2.50 | 2.84 | 2.92 | 7.50 | 4.79 | N/A | - |
| Transamerica Dynamic Income Blended Benchmark | 3.29 | 3.80 | 6.00 | 8.51 | 6.75 | N/A | - |

* Average Annual Total Return

Calendar Year Performance (%)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|------|-------|-------|------|-------|-------|------|
| Class A (at NAV) | 6.98 | 11.38 | -7.91 | 4.55 | 4.48 | 8.19 | N/A |
| Class I (at NAV) | 7.23 | 11.65 | -7.69 | 4.79 | 4.72 | 8.42 | N/A |
| iBoxx \$ Liquid High Yield Index | 6.32 | 15.31 | -5.03 | 2.13 | 5.93 | 14.12 | N/A |
| Transamerica Dynamic Income Blended Benchmark | 9.92 | 10.51 | -1.31 | 6.71 | 10.76 | 11.72 | N/A |

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 4.75%. Performance for other share classes will vary.

The gross expense ratios for this fund are 1.23% and 1.00% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.23% and 1.00% 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.

The iBoxx \$ Liquid High Yield Index and Transamerica Dynamic Income Blended Benchmark (40% iBoxx \$ Liquid High Yield Index, 30% S&P 500®, and 30% Bloomberg Barclays U.S. Aggregate Bond Index) are 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.

Asset Allocation, like many investment strategies, offers no guarantee of positive returns, and mutual funds are subject to market risk, including loss of principal. 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 share may be above or below the shares' net asset value; and an active trading market for an ETF's share may not develop or be maintained. Foreign and emerging market investments involve risks not associated with U.S. markets, such as currency fluctuation, adverse social and political developments and the relatively small size and lesser liquidity of the markets. Fixed income investing is subject to credit risk and interest rate risk. Investments in high-yield bonds (junk bonds) may be subject to greater volatility and risks as the income derived from these securities is not guaranteed and may be unpredictable and the value of these securities tends to decline when the interest rate increases.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, Inc. (TCI) member of FINRA.

TAM and QS Investors, LLC are not affiliated companies.

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