

Transamerica Event Driven

Class I TENIX

Investment Objective

The fund seeks positive absolute returns.

Sub-adviser

Advent Capital Management, LLC (Advent)



Portfolio Manager

Odell Lambroza
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Product Profile

The fund utilizes a multi-strategy approach to event driven investing across corporate capital structures. Catalyst-driven idiosyncratic opportunities and mispriced securities are identified using a fundamental approach.

- ➔ Portfolio consists of long and short investment ideas to exploit capital structure inefficiencies.
- ➔ The fund can opportunistically shift between asset classes and regions in seeking to both capture profits and generate uncorrelated returns under various market conditions.
- ➔ Ability to reduce risk by employing proprietary risk management and hedging techniques.
- ➔ Long history in successfully executing alternative and traditional investment strategies.

Fund Facts

Inception Date (I)	11/11/16
Benchmark Index	ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity Index
Morningstar Category	Multialternative
Lipper Category	Alternative Event Driven
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

During the third quarter, financial markets continued to fare well. A strong economy continued to bolster U.S. markets in spite of mounting concerns sparked by trade wars, emerging market contagion and upcoming mid-term elections. Global equity markets presented large dispersion as European, Chinese and many emerging markets sharply underperformed U.S. equity markets. Despite steadily rising interest rates during the third quarter, the credit markets sustained their strong performance as represented by the ICE BofA ML High Yield Index, which performed +2.44% QTD.

Fund Overview

Transamerica Event Driven benefited from its diversified portfolio construction during the quarter. The Fund's biggest contributors were positions in special situations followed by volatility positions. The largest detractors were the positions in short alpha and merger and acquisition (M&A) shareholder activism. The Fund's top performer was its volatility position in Teladoc Health, Inc. (1.67% as of 9/30/18), a telehealth company. The stock appreciated almost 50% during the quarter, exceeding the implied volatility of the convertible and the options within the portfolio. The largest detractor from performance during the quarter was the Fund's position in Inmarsat PLC (-0.43%). The Inmarsat PLC bonds declined after the company rejected two informal takeovers from its competitor, Echostar (0.00%). Inmarsat PLC argued that the takeover bids grossly undervalued the company. While the outcome of takeover bids detracted from quarterly performance, the takeover interest highlights Inmarsat PLC's attractive asset value in both its satellite operations in addition to its L-Band spectrum. The Fund continues to view Inmarsat PLC as takeover target especially as our fundamental bottom-up research indicates that the satellite industry will have to rationalize capacity and cost synergies. The Inmarsat PLC bonds remain highly attractive due to the bonds' highly asymmetric risk-reward profile driven by the takeover ratchet language in the indenture.

Outlook

As we progress towards year-end, Advent anticipates an up-tick in asset volatility with midterm elections, investor asset reallocations and FY 2019 earnings releases fast-approaching. With financing markets at near-optimal levels, the macroeconomic backdrop remains encouraging for increased M&A activity. Advent believes idiosyncratic volatility is rising due to rising dispersion levels among companies, market sectors and geographies. As these conditions continue through year-end, Advent is confident in their ability to source new investment ideas with our robust research and investment platform.

**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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Top 10 Holdings

	% of Holdings
Twitter, Inc., 0.25%, due 06/15/2024	4.68
Teva Pharmaceutical Finance Co. LLC, Series C, 0.25%, due 02/01/2026	3.73
Chesapeake Energy Corp., 5.50%, due 09/15/2026	3.12
Etsy, Inc., Zero Coupon, due 03/01/2023	2.84
Splunk, Inc., 0.50%, due 09/15/2023	2.73
Jazz Investments I, Ltd., 1.87%, due 08/15/2021	2.36
Huazhu Group, Ltd., 0.37%, due 11/01/2022	2.19
China Conch Venture Holdings International, Ltd., Zero Coupon, due 09/05/2023	2.05
Verint Systems, Inc., 1.50%, due 06/01/2021	2.05
Synaptics, Inc., 0.50%, due 06/15/2022	2.01
Percentage of total portfolio	27.76

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 I (at NAV)	-0.09	2.69	4.07	N/A	N/A	N/A	5.75
ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity Index	0.57	1.49	1.78	N/A	N/A	N/A	-

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class I (at NAV)	5.39	N/A	N/A	N/A	N/A	N/A	N/A
ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity Index	1.11	N/A	N/A	N/A	N/A	N/A	N/A

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 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. If a sales charge had been deducted, the results would have been lower.

The gross expense ratios for this fund are 1.90% and 1.93% for Advisor Class and Class I shares, respectively. The net expense ratios for this fund are 1.56% and 1.56% for Advisor Class 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.

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 ICE BofAML 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.

The value of your investment may be more volatile to the extent that the fund borrows or uses derivatives or other investments that have a leveraging effect on the fund. Other risks also will be compounded. This is because leverage generally magnifies the effect of a change in the value of an asset and creates a risk of loss of value on a larger pool of assets than the fund would otherwise have had. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount, and possibly all, of the fund's assets. The fund also may have to sell assets at inopportune times to satisfy its obligations. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. Fixed income securities have several risks including fluctuations in market value, changes in interest rates as the values will decrease as interest rates rise, and issuers defaulting on their obligations to pay interest or return principal.

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 Advent Capital Management, LLC are not affiliated companies.

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