

Transamerica Inflation Opportunities

Class A TIOAX | Class I ITIOX

Investment Objective

The fund seeks maximum real return, consistent with appreciation of capital.

Sub-adviser

PineBridge Investments LLC



Portfolio Managers

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Product Profile

A fund that primarily invests in inflation-linked investment grade fixed income securities issued by domestic and foreign governments, their agencies and corporations

- ➔ May purchase debt securities that are not inflation-linked
- ➔ May invest in emerging market countries
- ➔ Ability to invest up to 20% of assets in high yield securities

Fund Facts

Inception Date (A-I)	03/01/14 - 03/01/14
Benchmark Index	Bloomberg Barclays Global Inflation Linked Bond Index
Morningstar Category	Inflation-Protected Bond
Lipper Category	Inflation Protected Bond
Dividend Frequency	Monthly

Macroeconomic Overview

Inflation-linked securities delivered negative performance during the quarter despite resilient, and in some cases rising, inflation as the increase in breakeven rates did not offset higher nominal yields. In the U.S., headline inflation remains above the U.S. Federal Reserve's (Fed) 2% target, reaching as high as 2.9% in July before slowing a bit to 2.7% in August. US economic growth continues to maintain its momentum, despite trade uncertainty and a moderation of global growth, supported by tax reform and fiscal stimulus. The Fed, for its part, cited the strong economy as it raised rates 0.25% in September. Although the U.S. economy remains a stand out with respect to both growth and inflation, inflation ticked up across most major markets during the quarter and economic data indicated an increase in economic activity as well. The increase in near term growth and inflation expectations, along with a relatively benign geo-political environment supported risk sentiment and an increase in nominal yields across most bond markets. However, longer-term inflation expectations did not materially change as breakeven rates remained range bound below current headline inflation levels.

Fund Overview

Transamerica Inflation Opportunities posted a -0.61% (gross) total return for the three month period ending September 2018 versus a -1.63% return for the Barclays Global Inflation index, resulting in an out performance of 1.02%

- The Fund's underweight exposures to sterling and euro contributed to performance as both currencies depreciated versus the dollar.
- In terms of duration, the Fund's short duration position along the UK yield curve contributed to performance.
- The Fund's exposure to inflation related credit contributed to performance as credit spreads compressed during the quarter.
- The Fund's underweight position in UK linkers detracted from performance as UK breakeven rates outperformed.

Outlook

Although global growth has disappointed this year, the U.S. economy remains relatively strong, bolstered by reduced regulation, tax reform and fiscal stimulus. Corporate fundamentals continue to benefit from not only the positive economic environment, but also the reduction in the corporate tax rates and amnesty for the repatriation of overseas cash. The antagonistic trade rhetoric between the U.S. and China continues to escalate on both sides, presenting a growing risk scenario for the global economy. However, the successful negotiation of the U.S.-Mexico-Canada Agreement, illustrates the ultimate goal of a more pragmatic resolution to the issue than suggested by the current back and forth between Washington and Beijing. The Fed cited the strength of the economy as it raised rates in September and maintained expectations of an additional hike this year and three more hikes in 2019. While the Fed maintained rate hike expectations, it did upgrade its forecast for GDP growth in 2019 and removed a reference to monetary policy being accommodative. If monetary policy is no longer seen as accommodative then rate hikes from this point forward are likely to be considered on the basis of growth and inflation rather than the need to normalize policy. As such, markets will focus on economic indicators which could influence the Fed's decision regarding the natural rate of interest.

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. 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.

**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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30-Day SEC Yield

Class A – Subsidized	0.61%
Class A – Unsubsidized	0.67%

The **30-Day SEC Yield** is computed in accordance with a standardized method prescribed by rules of the SEC. The 30-Day SEC Yield is computed by dividing the fund's investment income per share earned during a particular 30-day base period by the maximum offering price per share on the last day of the base period, and then annualizing the result. The 30-Day SEC Yield is calculated at each month end and updated within the first ten business days of the following month. Be advised that the 30-Day SEC Yield calculation does not account for return of capital. Please refer to the most recent Annual Report for additional information regarding the composition of distributions. The subsidized 30-Day SEC Yield reflects the reimbursements or waivers of certain expenses. Had fees not been waived and/or expenses reimbursed, the yield would be lower. The unsubsidized 30-Day SEC Yield does not reflect reimbursements or waivers of expense fees.

Top 10 Holdings

	% of Holdings
U.S. Treasury Inflation-Indexed Bond, 3.87%, due 04/15/2029	5.08
U.S. Treasury Inflation-Indexed Note, 0.12%, due 01/15/2022	4.97
U.S. Treasury Inflation-Indexed Note, 0.12%, due 07/15/2026	4.21
U.S. Treasury Inflation-Indexed Bond, 2.37%, due 01/15/2025	3.95
U.S. Treasury Inflation-Indexed Note, 0.12%, due 04/15/2022	3.66
U.S. Treasury Inflation-Indexed Bond, 0.50%, due 01/15/2028	3.02
U.S. Treasury Inflation-Indexed Bond, 3.37%, due 04/15/2032	2.80
Italy Buoni Poliennali del Tesoro, 0.10%, due 05/15/2022	2.79
U.S. Treasury Inflation-Indexed Bond, 0.75%, due 02/15/2045	2.68
Italy Buoni Poliennali del Tesoro, 1.25%, due 09/15/2032	2.67
Percentage of total portfolio	35.83

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)	-0.67	-1.40	-0.20	1.90	N/A	N/A	0.54
Class A (at POP)	-5.38	-6.08	-4.97	0.28	N/A	N/A	-0.52
Class I (at NAV)	-0.61	-1.20	0.03	2.13	N/A	N/A	0.78
Bloomberg Barclays Global Inflation Linked Bond Index	-1.64	-3.34	-0.58	2.13	N/A	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	3.80	4.60	-3.98	N/A	N/A	N/A	N/A
Class I (at NAV)	4.06	4.81	-3.78	N/A	N/A	N/A	N/A
Bloomberg Barclays Global Inflation Linked Bond Index	8.67	3.91	-4.97	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.

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 1.55% and 0.81% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.00% and 0.75% 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.

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 Bloomberg Barclays Global Inflation Linked Bond 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.

Fixed income investing is subject to credit risk, inflation risk, and interest rate risk. Investing in high-yield (junk bonds) may be subject to greater volatility and risks as the return of principal and income derived from these securities are not guaranteed and can fluctuate based on firm profitability and economic conditions. Interest payment on inflation-related debt securities will vary as the principal and/or interest is adjusted for inflation.

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 PineBridge Investments LLC are not affiliated companies.

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