

# Transamerica Inflation-Protected Securities

Class R4 TPRFX

## Investment Objective

Seeks maximum real return consistent with the preservation of capital.

## Sub-adviser

PineBridge Investments LLC (PineBridge)



## Portfolio Managers

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## Product Profile

The fund seeks maximum real return, consistent with prudent investment management.

- ➔ PineBridge's considerable global resources are utilized to incorporate top-down and bottom-up research
- ➔ Contributors to performance include U.S. TIPS as well as inflation related fixed and floating rate credit bonds
- ➔ Tactically exploits pricing inefficiencies
- ➔ Manages interest rate, credit, and event risks

## Fund Facts

Inception Date	09/11/00
Benchmark Index	Bloomberg Barclays US Treasury Inflation Protected Securities Index
Morningstar Category	Inflation-Protected Bond
Lipper Category	Inflation Protected Bond
Dividend Frequency	Quarterly

Effective June 30, 2018, PineBridge Investments LLC replaced BlackRock Financial Management, Inc. as sub-adviser to Transamerica Inflation-Protected Securities. In connection with the change of sub-adviser, changes are also made to the principal investment strategies for the Fund.

## 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. U.S. 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-Protected Securities posted a -0.91% (gross) total return for the three month period ending September 2018 versus a -0.82% return for the Barclays US TIPS index, resulting in an under performance of 0.05%

- In terms of duration, the Fund's underweight exposure to U.S. rates and short duration position along the U.S. 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 exposure to European linkers underperformed as nominal yields for peripheral sovereign issuers increased as a result of political uncertainty in Italy.

## 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 3 more hikes in 2019. While the Fed maintained rate hike expectations, it did upgrade its forecast for gross domestic product 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.

**The fund is newly organized. The fund acquired the assets and assumed the liabilities of three Transamerica Partners funds, including Transamerica Partners Institutional Inflation-Protected Securities (the "predecessor fund"), on April 21, 2017, and the predecessor fund is the accounting and performance survivor of the reorganizations. This means that the predecessor fund's financial and performance history became the financial and performance history of the fund. In the reorganization of the predecessor fund, shareholders of the predecessor fund received Class R4 shares of the fund. The performance of Class R4 shares includes the performance of the predecessor fund prior to the reorganization, and has not been restated to reflect the estimated annual operating expenses of Class R4 shares. Please read the prospectus for more information.**

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.**

# Transamerica Inflation-Protected Securities

## Class R4 TPRFX

### Fixed Income Statistics

Average Price	\$100.49
Average Maturity	8.45 years
Average Duration	7.02 years

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.

Source: PineBridge

### Top 10 Holdings

	% of Holdings
U.S. Treasury Inflation-Indexed Note, 0.12%, due 04/15/2020	6.75
U.S. Treasury Inflation-Indexed Note, 0.12%, due 04/15/2019	4.30
U.S. Treasury Inflation-Indexed Note, 0.12%, due 04/15/2021	4.24
U.S. Treasury Inflation-Indexed Note, 0.62%, due 01/15/2024	3.94
U.S. Treasury Inflation-Indexed Note, 0.12%, due 01/15/2022	3.80
U.S. Treasury Inflation-Indexed Note, 0.12%, due 04/15/2022	3.66
U.S. Treasury Inflation-Indexed Note, 0.12%, due 01/15/2023	3.30
U.S. Treasury Inflation-Indexed Note, 0.25%, due 01/15/2025	3.17
U.S. Treasury Inflation-Indexed Note, 0.12%, due 07/15/2026	3.08
U.S. Treasury Inflation-Indexed Note, 0.12%, due 07/15/2024	3.08
<b>Percentage of total portfolio</b>	<b>39.32</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 R4 (at NAV)	-0.91	-0.82	0.39	1.51	0.72	2.85	3.48
Bloomberg Barclays US Treasury Inflation Protected Securities Index	-0.82	-0.84	0.41	2.04	1.37	3.32	-

\*Average Annual Total Return

### Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class R4 (at NAV)	2.40	3.76	-2.18	2.74	-8.46	6.78	12.05
Bloomberg Barclays US Treasury Inflation Protected Securities Index	3.01	4.68	-1.44	3.64	-8.60	6.98	13.56

**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 R4 shares. Class R shares are available only to eligible retirement plans.**

**The gross expense ratio for this fund is 0.77% for Class R4 shares. The net expense ratio for this fund is 0.65% for Class R4 shares. 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 US Treasury Inflation Protected Securities Index (Bloomberg Barclays US TIPS 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.

Any U.S. government guarantees of the securities held in this investment fund pertain only to those securities and not the fund or its yield. The values of bonds change in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. The value of bonds and bond funds generally falls when interest rates rise, causing an investor to lose money upon sale or redemption. Market values of inflation-protected securities can be affected by changes in the market's inflation expectations or changes in real rates of interest.

Shares may be sold (or "redeemed") on any day the New York Stock Exchange is open for business. Proceeds from the redemption of shares will usually be sent to the redeeming shareholder within three business days after receipt in good order of a request for redemption. However, Transamerica Funds has the right to take up to seven days to pay redemption proceeds, and may postpone payment under certain circumstances, as authorized by law.

**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.

TAM and PineBridge Investments LLC are not affiliated companies.

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