

# Transamerica MLP & Energy Income

Class A TMLAX | Class I TMLPX

## Investment Objective

The fund seeks long-term growth of capital while providing current income.

## Sub-adviser

Kayne Anderson Capital Advisors, L.P.  
(Kayne Anderson)

**Kayne Anderson**

*Capital Advisors, L.P.*

## Portfolio Manager

John C. Frey

## Product Profile

The fund focuses primarily on long-term growth of capital while providing current income by investing in companies involved in the energy sector

- ➔ Portfolio consists of master limited partnerships (MLPs), MLP-related entities, energy infrastructure companies and other issuers in the energy sector
- ➔ MLP holdings cap of 25% creates tax advantages over pure MLP funds; however, the 25% cap limits the investor's ability to experience the potential advantages of investing in a greater percentage of MLPs
- ➔ Experienced investment firm with expertise in energy infrastructure and MLPs

## Fund Facts

Inception Date (A-I)	04/30/13 - 04/30/13
Benchmark Index	S&P 500®, Alerian MLP Total Return Index
Morningstar Category	Energy Limited Partnership
Lipper Category	Energy MLP
Dividend Frequency	Quarterly

## Macroeconomic Overview

The third quarter was the second consecutive strong quarter for the midstream sector as we saw a continued rally that was driven by solid fundamentals. Earnings continued to show strength, building on last quarter's momentum. A trend in earnings reports was volumes and margins coming in better than expected. A positive fundamental backdrop for the sector has emerged as leverage continues to trend downward and optimism regarding cash flow growth continues to improve as additional projects come on-line. Retail fund flows were trending in the right direction and further support for the rally came in the wake of the market's realization that only a handful of companies had material exposure to the Federal Energy Regulatory Commission's (FERC) initiated policy changes. The sector recovered from the market sell-off related to the FERC's proposed policy changes and has returned over 20% from the sector low on March 27th.

## Fund Overview

Transamerica MLP & Energy Income reported a net return of positive 2.6% for the quarter. Underlying midstream energy fundamentals remain bullish as producer activity is growing faster than any nation globally. This is causing supply constraints and driving a clear need to expand infrastructure. Strong production growth will provide new challenges and opportunities for the movement of commodities and for the midstream companies which provide these services. Capital spending by midstream companies is poised to continue at record levels as infrastructure needs remain significant for North America over the foreseeable future. Sentiment appears to be turning the corner as the energy sector continues to improve.

## Outlook

In Kayne Anderson's view, midstream company valuations remain at a discount and possess compelling distribution yields and undervalued growth potential relative to the broader equity markets. With a promising backdrop of solid producer commitments and global demand growth that will sustain a long-term infrastructure buildout, Kayne Anderson believes that the midstream energy space is poised to provide an attractive total return opportunity over the near mid-term.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Targa Resources Corp.	5.65	15.81	0.84
Viper Energy Partners, LP	1.89	34.07	0.60
Energy Transfer Partners, LP	2.98	19.65	0.53

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Western Gas Partners, LP	3.01	-8.06	-0.25
Enbridge, Inc.	2.48	-8.45	-0.22
SemGroup Corp., Class A	1.72	-11.51	-0.22

\*Source: Morningstar Direct

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 MLP & Energy Income

Class A TMLAX | Class I TMLPX

## Top 10 Holdings

	% of Holdings
ONEOK, Inc.	7.33
Cheniere Energy, Inc.	7.08
Plains GP Holdings, LP, Class A	6.52
Targa Resources Corp.	6.20
Williams Cos., Inc.	5.68
Kinder Morgan, Inc.	5.55
Pembina Pipeline Corp.	5.54
Phillips 66	3.53
Tallgrass Energy LP	3.35
TransCanada Corp.	3.31
<b>Percentage of total portfolio</b>	<b>54.09</b>

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

## Equity Statistics

Median Market Cap	<b>\$17.20 (B)</b>
Weighted Average Market Cap	<b>\$21.69 (B)</b>

B = Billions

**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 5.50%. Performance for other share classes will vary.**

**The gross expense ratios for this fund are 1.58% and 1.29% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.58% and 1.29% 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 S&P 500® and Alerian MLP Total Return Index are unmanaged indices used as general measures 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.

Investing in MLPs involves risks related to limited control, cash flow changes, dilution risks, and risk linked to the general partner's right to require unit holders to sell their common units at an undesirable time or price. The energy industries can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels, energy conservation, the success of exploration projects, and tax and other government regulations.

The fund is subject to certain MLP tax risks. As the fund is registered as a Regulated Investment Company, the fund does not pay taxes. Changes to government regulations may impact future returns. The fund is classified as "non-diversified", which means it may invest a larger percentage of its assets in a smaller number of issuers or sectors than a diversified fund. To the extent the fund invests its assets in fewer issuers, the fund will be more susceptible to negative events affecting those issuers.

**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 Kayne Anderson Capital Advisors, L.P. are not affiliated companies.

1801 California St. Suite 5200, Denver, CO 80202

33301\_MQCMLP1018

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	2.51	1.24	1.31	4.73	-2.00	N/A	-1.66
Class A (at POP)	-3.18	-4.30	-4.29	2.78	-3.10	N/A	-2.68
Class I (at NAV)	2.60	1.47	1.61	5.05	-1.72	N/A	-1.39
S&P 500®	7.71	10.56	17.91	17.31	13.95	N/A	–
Alerian MLP Total Return Index	6.57	5.90	4.89	4.43	-2.72	N/A	–

\* Average Annual Total Return

## Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	-0.38	29.65	-37.19	3.35	N/A	N/A	N/A
Class I (at NAV)	-0.21	30.18	-36.98	3.59	N/A	N/A	N/A
S&P 500®	21.83	11.96	1.38	13.69	N/A	N/A	N/A
Alerian MLP Total Return Index	-6.52	18.31	-32.59	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.