

Transamerica Multi-Manager Alternative Strategies Portfolio

Class A IMUAX | Class I TASIX

Investment Objective

The portfolio seeks long-term capital appreciation.

Sub-adviser

Goldman Sachs Asset Management, L.P. (GSAM)



Asset Management

Portfolio Managers

Raymond Chan, CFA
Christopher Lvoff, CFA

Product Profile

A one-ticket core alternative investment solution investing in a combination of underlying funds.

- ➔ The fund expects to invest primarily in underlying Transamerica funds that use alternative investment strategies as their principal investment strategies and/or that invest primarily in alternative asset classes.
- ➔ In managing the fund's portfolio of investments, the sub-adviser intends to implement an asset allocation for the fund using quantitative and qualitative techniques and factors.
- ➔ The fund's approach to asset allocation seeks to budget the fund's long term investment risk exposure across several risk factors.
- ➔ An important component of the sub-adviser's process is allocating risk across asset classes and strategies which may increase diversification and, potentially, reduce volatility.

Macroeconomic Overview

Third quarter, in GSAM's view, was more or less a continuation of second quarter, in terms of both macroeconomic data and financial market performance. Global growth continued to moderate, especially outside of the U.S. At the same time, trade tension between the U.S. and China escalated further, leading to tariffs on \$250 billion worth of U.S. imports from China. In terms of monetary policy, the U.S. Federal Reserve (Fed) hiked its Fed Funds Rate at its September meeting and signaled one more hike in December 2018. Global equities (MSCI ACWI IMI, local) were up 4.5% over the quarter, driven by the rally in developed market equities. Within developed markets, U.S. equities outperformed with one of the highest returning quarters in the last five years due to strong earnings and economic data. Euro area equities underperformed relative to other developed markets as weaker economic activity and concerns around Italy weighed on the region. At the same time, emerging market equities were down, primarily due to negative performance of Chinese equities. In bonds, the U.S. 10 Year Treasury yield was up as real yields rose on the back of strong economic activity, which caused the market to price in more rate hikes from the Fed.

Fund Overview

Transamerica Multi-Manager Alternative Strategies Portfolio posted positive returns over the third quarter of 2018. Alternative strategies were the primary drivers of positive performance. J.P. Morgan Investment Management Inc's, Transamerica Long/Short Strategy was the largest contributor to returns over the quarter. AQR Capital Management, LLC's (AQR), Transamerica Global Multifactor Macro, AQR's Transamerica Managed Futures, and PineBridge Investments LLC's (PineBridge), Transamerica Unconstrained Bondall further added to positive returns. PineBridge's Transamerica Inflation Opportunities was the main detractor within alternatives. Traditional asset classes detracted modestly from returns, due largely to negative returns from emerging markets equity and emerging markets local debt which underperformed on the back of trade war tensions, idiosyncratic country risks and disappointing economic growth. As such, the allocation to ClariVest Asset Management LLC's Transamerica Emerging Markets Equity was the primary detractor over the quarter. Cycle aware views (a process that adapts to changes in the economic and business cycle) overall detracted from returns with the view to be long emerging markets local debt and short high yield bonds as the primary detractor.

Outlook

GSAM expects the global economic expansion to continue into the end of 2018. After a period of strong US growth outperformance, GSAM believes that U.S. growth will moderate while growth stabilizes or picks up elsewhere. GSAM also believes that the underperformance of emerging markets is overdone, as markets are overly worried about contagion and trade fears. On the inflation front, GSAM sees signs of inflationary pressures gradually firming, but believes it will take time before they manifest into meaningfully firmer numbers. As for fixed income, GSAM is bearish on government bonds and believes longer dated yields are likely to continue their consolidation into year-end. In this environment, alternative strategies may outperform traditional managers through their ability to go short asset classes, regions, countries or sectors, and through their ability to implement relative value positions and manage tail risk.

Top 10 Holdings

Fund Name	Sub-Adviser	% of Holdings
Transamerica Unconstrained Bond	PineBridge Investments LLC	18.24
Transamerica Global Multifactor Macro	AQR Capital Management, LLC	13.76
Transamerica Event Driven	Advent Capital Management, LLC	11.45
Transamerica Managed Futures Strategy	AQR Capital Management, LLC	10.50
Transamerica Long/Short Strategy	J.P. Morgan Investment Management Inc.	10.45
Transamerica Inflation Opportunities	PineBridge Investments LLC	9.99
Transamerica Emerging Markets Debt	Logan Circle Partners, LP	6.73
Transamerica Emerging Markets Equity	ClariVest Asset Management LLC	5.77
Transamerica Global Real Estate Securities	CBRE Clarion Securities LLC	3.48
Transamerica MLP & Energy Income	Kayne Anderson Capital Advisors, L.P.	2.77
Percentage of total portfolio		93.14

**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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Fund Facts

Inception Date (A-I)	12/28/06 - 11/30/09
Benchmark Index	ICE BofAML 3-Month Treasury Bill +3% Wrap Index, HFRX Global Hedge Fund Index
Morningstar Category	Multialternative
Lipper Category	Alternative Multi-Strategy
Dividend Frequency	Annually

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.

Prior to July 7, 2017, the fund had a different sub-adviser, and used different investment strategies.

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.

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.

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 2.16% and 1.83% for Class A and Class I shares, respectively. The net expense ratios for this fund are 2.16% and 1.83% 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.

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 ICE BofAML 3-Month Treasury Bill +3% Wrap Index ("ICE BofAML 3-Month Treasury Bill +3% Wrap") is an unmanaged index used as a general measure of market performance. The HFRX Global Hedge Fund Index is a passively-managed index that is compiled by Hedge Fund Research, Inc. It is designed to measure the daily performance of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Returns presented are net of underlying manager fees, but do not reflect the deduction of management fees, taxes and other expenses. Calculations assume dividends and capital gains are reinvested and do not include any managerial expenses.

Diversification may not guarantee a profit or protect against a loss.

The fund intends to utilize individual strategies and hedging techniques in matched combinations that may have lower correlation to broader equity and fixed income markets. Some of these strategies include long/short equity and tactical investment strategies (debt and/or equity); global real estate securities; commodities; managed futures, global macro and non-traditional investments (such as emerging market stocks). There is no assurance that these strategies will protect against losses. Certain hedging techniques and leverage employed in the management of the fund may accelerate the velocity of possible losses.

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 Goldman Sachs Asset Management, L.P. are not affiliated companies.

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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	1.23	0.20	1.63	2.14	1.59	2.60	1.81
Class A (at POP)	-4.36	-5.28	-3.94	0.23	0.44	2.02	1.32
Class I (at NAV)	1.34	0.41	1.98	2.48	1.93	N/A	2.66
ICE BofAML 3-Month Treasury Bill +3% Wrap	1.24	3.60	4.67	3.90	3.57	3.39	-
HFRX Global Hedge Fund Index	-0.39	-1.23	0.25	2.17	1.02	0.70	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	4.95	2.35	-5.73	2.97	3.68	8.54	-3.31
Class I (at NAV)	5.32	2.73	-5.50	3.32	4.04	8.93	-3.05
ICE BofAML 3-Month Treasury Bill +3% Wrap	3.92	3.38	3.10	3.08	3.12	3.16	3.15
HFRX Global Hedge Fund Index	5.99	2.50	-3.64	-0.58	6.72	3.51	-8.87

Each portfolio allocates its assets among Class I2 shares of various underlying funds of Transamerica Funds. Not all classes are available to investors. Holdings are subject to change and are not recommendations to buy or sell a security. Holdings excludes net other assets (liabilities).