

TRANSAMERICA MLP & ENERGY INCOME

A | TMLAX | 04/30/2013 C | TMCLX | 04/30/2013 I | TMLPX | 04/30/2013

INVESTMENT OBJECTIVE

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

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Energy Limited Partnership
Lipper Category	Energy MLP
Dividend Frequency	Quarterly
Primary Benchmark	S&P 500®
Secondary Benchmark	Alerian MLP Total Return Index

SUB-ADVISER

Kayne Anderson

Capital Advisors, L.P.

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

PORTFOLIO MANAGERS

John C. Frey

MACROECONOMIC OVERVIEW

The year is off to a great start for the midstream sector as the energy infrastructure market experienced returns over 12% in January. As companies began to report '18 earnings, a theme of positive earnings growth and positive 2019 financial guidance from management teams took hold, eliminating a big question for investors and driving further gains. It is important to note that, as many predicted, 2018 saw U.S. production of crude oil, natural gas, and natural gas liquids hit all-time record highs.

FUND OVERVIEW

Transamerica MLP & Energy Income reported a return of 19.07% for the quarter. Nothing speaks more to the fundamental strength of the sector and to the attractive valuations than the continued rally in the sector that took the fund to nearly 20% returns in just the first three months of 2019. On the operating front, midstream company earnings on the whole remained strong for the quarter, resulting in over 80% of the fund's names meeting or beating earnings estimates, well above long-term averages. This fundamental strength propelled the rally further with the fund returning 19.07% in Q1. Performance among master limited partnerships (MLP) and energy infrastructure sub-sectors was universally positive for the quarter. Blue-chip, diversified names generally performed well, while some names closer to the wellhead came in below expectations. General partner related MLPs posted the best relative performance, while the gas transportation & storage related sub-sectors delivered the lowest relative returns. Fund specific outperformance compared to the Alerian MLP Index (AMZX) for the quarter was predominantly driven by the positive contribution attributable to overweight allocations to non-AMZX index related positions that was further enhanced by exposures to liquids and gas transportation & storage MLPs. Performance was tempered however, by Kayne Anderson's underweight exposures to diversified and gas gathering & processing MLPs.

OUTLOOK

One of the most important themes in the midstream sector is the public-private market valuation divide. Private capital continued to fill the public capital markets void to support midstream development as a 'solutions provider' for issuers facing capital constraints as large pools of private equity dollars wait on the sidelines ready to be deployed. Blackstone's (0.00% as of 3/31/19) acquisition of a \$3.3 billion interest in Tallgrass Energy LP (3.78%) garnered significant attention - it was purchased at a substantial premium to the public market trading price. Private equity also took stakes in individual midstream business lines over the quarter as KKR & Co. (0.00%) acquired a 49% interest in SemGroup Corp./Rose Rock Finance Corp.'s (0.91%) Canadian business, SemCAMS Midstream. Targa Resources Corp. sold a 45% stake of its Badlands business in a \$1.6 billion deal with GSO Capital Partners/Blackstone (0.00%) and the Canada Pension Plan Investment Board (0.00%) invested \$1.3 billion for a 35% ownership stake in a joint venture with Williams Cos., Inc. for assets in the Marcellus and Utica basins. The unifying thread in all of these transactions is that we've seen a meaningful valuation premium in private transactions vs. public market trading levels. While publicly-traded energy infrastructure companies trade at around 10.5x enterprise value to earnings before interest, tax, depreciation and amortization (EV/EBITDA) on average, Kayne Anderson has seen many private assets deals take place with mid-teens or higher EV/EBITDA valuations. Kayne Anderson views this as a positive sign of the relative attractiveness of public energy infrastructure assets.

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 decision.

TRANSAMERICA MLP & ENERGY INCOME

as of 03/31/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	19.07	19.07	13.77	8.81	-3.83	-	-1.65
Class I (at NAV)	19.15	19.15	14.13	9.15	-3.54	-	-1.37
Class A (at POP)	12.43	12.43	7.45	6.76	-4.91	-	-2.58
S&P 500®	13.65	13.65	9.50	13.51	10.91	15.92	-
Alerian MLP Total Return Index	16.82	16.82	15.11	5.69	-4.73	-	-

The data shown 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. Performance for other share classes will vary.

FEES (%)

	A	C	I
Gross Expense Ratio	1.61	2.39	1.30
Net Expense Ratio	1.60	2.35	1.30

The Max Sales Charge for Class A shares is 5.50%. There are no sales charges for 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 minimum investment for Class I shares is \$1,000,000 per fund account, but will be waived for certain investors. 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. Contractual arrangements, if any, have been made with Transamerica Asset Management, Inc. through 03/01/2020.

CONTRIBUTORS & DETRACTORS (%)

Leading contributors	Contribution	Weight	Return
ONEOK Inc	2.05	7.01	31.24
Williams Companies Inc	1.91	6.58	32.09
Plains GP Holdings LP Class A	1.77	7.18	25.59
Leading detractors	Contribution	Weight	Return
BP Midstream Partners LP	-0.05	0.89	-5.17
Atlantica Yield PLC	-0.14	0.96	-3.52
Western Midstream Partners LP	-0.22	1.01	-6.28

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Williams Cos., Inc.	7.70
ONEOK, Inc.	7.27
Plains GP Holdings, LP, Class A	7.27
Cheniere Energy, Inc.	6.51
Pembina Pipeline Corp.	6.37
Kinder Morgan, Inc.	5.68
Energy Transfer, LP	4.55
Enbridge, Inc.	4.53
Targa Resources Corp.	4.31
TransCanada Corp.	4.25
Total	58.44

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

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 involve 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.

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 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.

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