

TRANSAMERICA DYNAMIC ALLOCATION

A | ATTRX | 10/31/2012 **C** | CTTRX | 10/31/2012 **I** | ITTOX | 10/31/2012

INVESTMENT OBJECTIVE

The fund seeks the highest total return (that is, a combination of income and long-term capital appreciation) over time consistent with its asset mix. The fund will seek to reduce volatility as a secondary objective.

KEY FACTS

Investment Manager Transamerica Asset Management, Inc. (TAM)

Morningstar Category Tactical Allocation

Lipper Category Flexible Portfolio

Dividend Frequency Annually

Primary Benchmark Russell 3000® Index

Additional Benchmark Transamerica Dynamic Allocation Blended Benchmark

SUB-ADVISER



QS Investors, LLC (QS Investors)

PORTFOLIO MANAGERS

Adam J. Petryk, CFA
Thomas Picciochi
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SUB-SUB-ADVISER



Western Asset Management Company (WAMC)

PORTFOLIO MANAGERS

S. Kenneth Leech
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MACROECONOMIC OVERVIEW

Global equities across the board rose during the first quarter. In the U.S., large-caps had one of its best quarterly performances in a decade, rising 13.6%. China had the strongest performance of the major equity regions, rising 17.9%. Global equity performance for the quarter was largely driven by January's rebound, after suffering through one of the steepest monthly declines since the global financial crisis. After dropping 38% in the prior quarter, crude oil rebounded with a 32% upswing. The rebound came from tighter global supply conditions from the U.S. reducing its drilling and Venezuelan sanctions and outages. The 10-year U.S. Treasury yield dropped 28 basis points and finished at just over 2.4%. This was driven by the U.S. Federal Reserve (Fed) becoming increasingly dovish throughout the quarter, and their dot plot suggesting zero rate hikes in 2019, versus the expectations of two hikes previously.

FUND OVERVIEW

Transamerica Dynamic Allocation produced a positive return for the first quarter of 2019. All of the Fund's six ETF holdings posted positive returns; the best performing ETF holding was the iShares Russell 1000® Growth ETF, with a return of 15.38%. Relative to its benchmark, the Fund underperformed. The top detractor was the fund's tail risk component, via the Western Put Strategy, negatively correlated to U.S. large cap equities; U.S. equities had strong performance during the quarter. The biggest detractor from performance was the overweight position in cash in January and consequent underweight in U.S. large cap equities. The fund's five largest positions at quarter-end were in the iShares Russell 1000® Growth ETF, the iShares Russell 1000® Value ETF, iShares Core U.S. Aggregate Bond ETF, iShares MSCI EAFE ETF, and Vanguard Total International Bond ETF. These five positions collectively made up 89.0% of the fund. Early in the first quarter, the fund's dynamic rebalancing mechanism was active. During the first week of January, the fund had its highest allocation to cash since February 2016. As equity returns stabilized and became positive, the fund reduced the cash allocation. From February 6, 2019 to the end of the quarter, the fund was fully allocated to its strategic target positions.

OUTLOOK

QS's economic outlook improved dramatically since one month ago, moving from very negative territory to just breaking the neutral threshold. Improvement in global trade data, average hours worked and initial unemployment claims were the primary drivers. QS believes that U.S. stocks are positioned to outperform international developed market equities. QS's preference is supported by options market data, better price momentum in the U.S. and even yield curve steepness. Despite the fact that one measure of the U.S. yield curve inverted in March, the model observed that yield curves in other developed markets are flattening faster than in the U.S. market. QS continues to believe that U.S. high yield is positioned to outperform U.S. investment grade. However, this position has moderated due to spread widening between high yield and investment grade bonds.

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 DYNAMIC ALLOCATION

as of 03/31/2019

ASSET ALLOCATION (%)

U.S. Equity Funds	54.46	International Fixed Income Funds	10.84
U.S. Fixed Income Funds	18.79	Derivatives	0.76
International Equity Funds	14.88	Net Other Assets (Liabilities)	0.27

U.S. allocations may include U.S. territories and possessions. The Net Other Assets (Liabilities) category may include, but is not limited to, repurchase agreements, reverse repurchase agreements, security lending collateral, forward foreign currency contracts, and cash collateral.

FEES (%)

	A	C	I
Gross Expense Ratio	1.73	2.46	1.43
Net Expense Ratio	1.27	2.02	1.02

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.

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	5.99	5.99	0.84	6.03	3.73	-	5.95
Class I (at NAV)	6.01	6.01	1.12	6.29	3.98	-	6.23
Class A (at POP)	0.17	0.17	-4.70	4.04	2.57	-	5.02
Russell 3000® Index	14.04	14.04	8.77	13.48	10.36	-	-
Transamerica Dynamic Allocation Blended Benchmark	10.11	10.11	4.72	9.42	6.80	-	-

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.

TOP 10 HOLDINGS (%)

iShares Russell 1000 Growth ETF	22.81
iShares Russell 1000 Value ETF	21.82
iShares Core U.S. Aggregate Bond ETF	18.79
iShares MSCI EAFE ETF	14.88
Vanguard Total International Bond ETF	10.84
iShares Russell 2000 ETF	9.83
Option Purchased, PUT, S&P 500® Index	0.18
Option Purchased, PUT, S&P 500® Index	0.16
Option Purchased, PUT, S&P 500® Index	0.03
Option Purchased, PUT, S&P 500® Index	0.02
Total	99.36

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

The Russell 3000® Index and Transamerica Dynamic Allocation Blended Benchmark (Russell 1000® Index, 50%; Bloomberg Barclays Global Aggregate ex-U.S., 15%; Bloomberg Barclays U.S. Aggregate Bond Index, 15%; MSCI All Country World Index ex-U.S., 10%; Russell 2000® Index, 10%) are unmanaged indices 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.

Asset Allocation, like many investment strategies, offers no guarantee of positive returns, and mutual funds are subject to market risk, including loss of principal. ETFs generally present the same risks as an investment in a conventional fund that has the same investment objectives, strategies, and policies. The market price of a ETFs share may be above or below the shares' net asset value; and an active trading market for an ETF share may not develop or be maintained. The risks of investing in foreign securities are magnified in emerging markets. These may include risks related to market and currency volatility, adverse social and political developments and the relatively small size and less liquidity of these markets. Fixed income investing is subject to credit risk, inflation risk and interest rate risk.

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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