

TRANSAMERICA UNCONSTRAINED BOND

I | TUNIX | 12/08/2014

INVESTMENT OBJECTIVE

The fund seeks to maximize total return through a combination of interest income and capital appreciation.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Nontraditional Bond
Lipper Category	Alternative Credit Focus
Dividend Frequency	Monthly
Primary Benchmark	ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity Index

SUB-ADVISER



PineBridge Investments LLC (PineBridge)

PORTFOLIO MANAGERS

Roberto Coronado
Peter Hu, CFA
Michael J. Kelly, CFA
Steven Oh, CFA
Robert A. Vanden Assem, CFA
Gunter H. Seeger

MACROECONOMIC OVERVIEW

Credit spreads rallied in the first quarter along with most other risk asset classes. Investor sentiment improved amid a backdrop of progress on U.S.-China trade talks, stable or better than expected corporate earnings releases and, most importantly, a dovish pivot from the Jerome Powell and the Federal Open Market Committee (FOMC). In contrast to Chairman Powell's December statement that the Federal Reserve (Fed) balance sheet wind-down was on "autopilot"; he reversed course in January by reassuring investors that the central bank would be flexible with respect to all policy measures, including the timing and magnitude of balance sheet runoff. Subsequently, FOMC statements dropped any bias towards hiking rates and added the word "patient" providing further assurance of a dovish stance. Both U.S. Treasury rates and credit spreads rallied, leading to strong total returns across most segments of fixed income.

FUND OVERVIEW

Transamerica Unconstrained Bond generated a total return of 4.55% (net of fees) during the quarter, outperforming the BofAML 3-Month LIBOR Index return of 0.71%. The fund benefited most from allocations to higher spread segments of fixed income during the quarter. Specifically, allocations to high yield bonds, European contingent convertibles and bank loans were the top contributors from an asset class standpoint. Strong security selection within these segments also contributed to performance. Most fixed income segments generated positive total returns during the quarter, however, higher quality asset classes did not fully keep pace with higher spread segments. A hedged duration profile, in the form of a short 10-year U.S. Treasury futures position, detracted from performance as 10-year U.S. Treasury rates traded significantly lower during the quarter.

OUTLOOK

PineBridge's opinion remains that a pause in normalization by the U.S. Federal Reserve (Fed), as well as more effective stimulus out of China, sets the stage for a recovery in fundamentals. Markets have realized that prior late-cycle fears were overdone. China cannot allow slowdowns to spiral unchecked, nor can central banks sanction an unnecessary recession. Enabling these moves have been remarkably low inflation expectations in the face of seemingly tight labor markets - a result of ferocious global competition, "hidden" slack, and emerging productivity gains. PineBridge had been expecting a Fed "pause" and also a relatively large final balance sheet. Fed officials have now become vocal about these. Incrementally, they are also introducing a new concept of "symmetry" of their inflation target - whereby consideration is given to the cumulative level of inflation over a cycle. This would allow inflation to overshoot its target for a period of time if, as has been the case, it has undershot for an extended period. If adopted in 2020, after the Fed's "listening tour," this would be exceedingly bullish for risk assets as it would extend the life of the cycle.

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 UNCONSTRAINED BOND

as of 03/31/2019

FEES (%)

	I
Gross Expense Ratio	0.87
Net Expense Ratio	0.87

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 I (at NAV)	4.55	4.55	1.40	4.72	-	-	3.10
ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity Index	0.71	0.71	2.47	1.47	-	-	-

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. Performance for other share classes will vary.

TOP 10 HOLDINGS (%)

State Street Institutional U.S. Government Money Market Fund	1.49
Qatar Government International Bond, 4.50%, due 04/23/2028	1.12
Colombia Government International Bond, 3.87%, due 04/25/2027	1.10
GMAC Capital Trust I, Series 2, 8.46%	1.01
York CLO-2, Ltd., Series 2015-1A, Class AR, 3.91%, due 01/22/2031	0.75
Marble Point CLO, Ltd., 1.00%, due 01/20/2032	0.68
Credit Agricole SA, 7.87%, due 01/23/2024	0.64
Denali Capital CLO X LLC, Series 2013-1A, Class B1LR, 5.91%, due 10/26/2027	0.59
Societe Generale SA, 6.75%, due 04/06/2028	0.57
Land O' Lakes, Inc., 7.00%, due 09/18/2028	0.57
Total	8.52

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

MATURITY (%)

0-1 Year	2.70
1-3 Years	12.09
3-5 Years	24.36
5-10 Years	40.88
10-20 Years	9.27
20+ Years	1.94
Net Other Assets (Liabilities)	5.45

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.

The ICE BofAML U.S. Dollar LIBOR 3-Month Constant Maturity 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. Investing in the Fund entails interest rate risk, pre-payment risk, and credit risk as well as additional risks in that it may invest in high-yield/non-investment grade bonds. The Fund may also invest in foreign securities, including emerging markets, which carry currency risk if denominated in non-dollar or non-USD and are difficult to trade during periods of stress. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of a bond. Derivatives involve risks in addition to the risks of underlying securities, particularly counterparty and liquidity 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.

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 (PineBridge) are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202