

# TRANSAMERICA FLOATING RATE

A | TFLAX | 10/31/2013 C | TFLCX | 10/31/2013 I | TFLIX | 10/31/2013

## INVESTMENT OBJECTIVE

The fund seeks to achieve a high level of current income with capital appreciation as a secondary objective.

## KEY FACTS

<b>Investment Manager</b>	Transamerica Asset Management, Inc. (TAM)
<b>Morningstar Category</b>	Bank Loan
<b>Lipper Category</b>	Loan Participation
<b>Dividend Frequency</b>	Monthly
<b>Primary Benchmark</b>	Credit Suisse Leveraged Loan Index

## SUB-ADVISER



USA Investment Management, LLC

Aegon USA Investment Management, LLC (AUIM)

## PORTFOLIO MANAGERS

John F. Bailey, CFA  
Jason P. Felderman, CFA  
Zach Halstead  
James K. Schaeffer, Jr.

## MACROECONOMIC OVERVIEW

Risk around trade policy continued to influence the U.S. Federal Reserve (Fed) in the first quarter. It softened its approach to normalizing rates and instead of staying the course set out in the December meetings, surprised the market by dropping its “dot plot” from two hikes in 2019 down to no hikes, and from two hikes in 2020 to one hike at the conclusion of its March meeting. For now, the Fed has paused its rate normalization process given tighter financial conditions, global activity concerns and muted inflation. They have also suggested a faster end to quantitative tightening than previously anticipated. With peaks in economic activity and earnings growth likely behind us, the Fed’s more dovish tone and concerns over an inverted yield curve were top of mind for investors late in the quarter. As fourth quarter volatility normalized and financial conditions eased, risk assets posted broadly positive results in the first quarter, led by U.S. equities and high yield bonds, with improved risk-adjusted profiles. The ten-year yield rallied to end the quarter at around 2.4%, just a touch above the three-month U.S. Treasury yield. The spread between the two briefly went negative in March. The two-year U.S. Treasury yield declined roughly 0.23% during the quarter as the Fed’s rhetoric was more dovish and markets began to price in a rate cut in 2019. The spread between the two- and ten-year U.S. Treasury’s ended the quarter narrower still.

## FUND OVERVIEW

Performance this quarter was driven by favorable security selection and allocation decisions. By ratings category, the selection within B-rated loans was especially strong and the underweight to CCCs was beneficial. By sector, the top positive contributors to excess returns this quarter included holdings in retail, media/telecom and forest products/containers. The largest detractors included holdings in information technology, services and housing. The allocation to high yield bonds also helped performance this quarter.

## OUTLOOK

AUIM believes that the Fed’s stoppage of rate hikes has and could lead to more retail outflows; while returns could be somewhat driven by macro sentiment, namely the Fed and ongoing trade war. AUIM also sees reasonably high current yields and many loans still trading below par which may result in a decent total return backdrop. There will be more limited new issuance going forward after a busier first quarter than anticipated. Collateral loan obligations issuance is expected to continue at a moderate pace.

**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 FLOATING RATE

as of 03/31/2019

## FEES (%)

	A	C	I
Gross Expense Ratio	1.08	1.84	0.86
Net Expense Ratio	1.06	1.81	0.81

The Max Sales Charge for Class A shares is 4.75%. 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)	3.75	3.75	2.42	4.27	3.36	-	3.40
Class I (at NAV)	3.82	3.82	2.87	4.56	3.57	-	3.61
Class A (at POP)	-1.15	-1.15	-2.48	2.58	2.36	-	2.47
Credit Suisse Leveraged Loan Index	3.78	3.78	3.33	5.87	3.83	-	-

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](http://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 (%)

Hoffmaster Group, Inc., 1st Lien Term Loan, 6.49%, due 11/21/2023	0.89
GFL Environmental, Inc., Term Loan B, 5.49%, due 05/30/2025	0.86
CommScope Finance LLC, 5.50%, due 03/01/2024	0.82
RegionalCare Hospital Partners Holdings, Inc., 8.25%, due 05/01/2023	0.79
Avaya, Inc., Term Loan B, 6.77%, due 12/15/2024	0.79
KIK Custom Products, Inc., Term Loan B, 6.49%, due 05/15/2023	0.78
Spin Holdco, Inc., Term Loan B, 6.02%, due 11/14/2022	0.76
Milacron LLC, Term Loan B, 4.99%, due 09/28/2023	0.74
Quorum Health Corp., Term Loan B, 9.24%, due 04/29/2022	0.71
Carestream Health, Inc., 1st Lien Term Loan, 8.24%, due 02/28/2021	0.70
<b>Total</b>	<b>7.84</b>

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	0.33
1-3 Years	10.46
3-5 Years	34.03
5-10 Years	51.00
Net Other Assets (Liabilities)	3.78

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 Credit Suisse Leveraged Loan 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 high-yield bonds (junk bonds) may be subject to greater volatility and risks as the income derived from these securities is not guaranteed. 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.

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](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. Aegon USA Investment Management, LLC is an affiliate of Aegon companies. Transamerica companies are part of the Aegon group. 1801 California St. Suite 5200, Denver, CO 80202