

# TRANSAMERICA MULTI-MANAGER ALTERNATIVE STRATEGIES PORTFOLIO

A | IMUAX | 12/28/2006   C | IMUCX | 12/28/2006   I | TASIX | 11/30/2009

## INVESTMENT OBJECTIVE

The portfolio seeks long-term capital appreciation.

## KEY FACTS

<b>Investment Manager</b>	Transamerica Asset Management, Inc. (TAM)
<b>Morningstar Category</b>	Multialternative
<b>Lipper Category</b>	Alternative Multi-Strategy
<b>Dividend Frequency</b>	Annually
<b>Primary Benchmark</b>	ICE BofAML 3-Month Treasury Bill +3% Wrap Index
<b>Secondary Benchmark</b>	HFRX Global Hedge Fund Index

## SUB-ADVISER



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

## PORTFOLIO MANAGERS

Christopher Lvoff, CFA  
Neill Nuttall

## MACROECONOMIC OVERVIEW

Q1 2019 was a quarter characterized by a rebound in risk assets after the sell-off in Q4 2018 and continued weak economic growth. Investor sentiment turned positive on the combination of dovish central banks, supportive monetary policy, signs of tentative stabilization in Chinese growth, and positive developments in U.S.-China trade talks. While global growth continued to decelerate in Q1 2019 a few nascent signs of green shoots began to emerge. Signs of bottoming in Chinese credit growth, modest pick-up in fixed asset investments, and an uptick in March manufacturing purchasing manager's index made investors hopeful of a recovery in Chinese and global growth. In equities, global equities (ACWI IMI) were up 12.8%, led by a rally in U.S. equities. While emerging markets equities underperformed relative to developed markets, Chinese equities (MSCI China) were up over 17%. In fixed income, the 10-year U.S. Treasury yield declined over the quarter. With inflationary pressures remaining muted across developed markets, the U.S. Federal Reserve (Fed) and European Central Bank (ECB) continued to keep monetary policy supportive of growth. The Fed signaled no further hikes in 2019 and the ECB also indicated their reluctance to hike in 2019.

## FUND OVERVIEW

Transamerica Multi-Manager Alternative Strategies Portfolio posted positive returns over the first quarter of 2019. Both the alternative and traditional sleeves contributed to performance, with all underlying funds posting positive returns. Within alternatives, the PineBridge Investment LLC's Transamerica Unconstrained Bond and Advent Capital Management LLC's Transamerica Event Driven funds were the primary contributors. Blackrock Investment Management LLC's Transamerica Global Real Estate Securities and Kayne Anderson Capital Advisors, L.P.'s Transamerica MLP and Energy Income (2.76% as of 3/31/19) also contributed significantly to performance as real estate and investment trusts had an outstanding quarter and master limited partnerships surged on the back of the oil rally. Among traditional assets, Logan Circle Partners LP's Transamerica Emerging Market Debt, ClariVest Asset Management LLC's Transamerica Emerging Markets Equity and Aegon USA Investment Management's Transamerica High Yield Bond funds drove performance. Cycle aware views (a process that adapts to changes in the economic and business cycle) detracted from performance. The view to be overweight emerging markets local debt versus high yield debt detracted from performance as high yield outperformed over the quarter. The view to be short U.S. Treasury futures additionally detracted as yields declined over the quarter.

## OUTLOOK

Goldman Sachs Asset Management (GSAM) expects the global economic expansion to continue, but moderate in 2019. GSAM sees the rebound of growth across the U.S., Europe, and China together with dovish central bank policy as supportive for equities in the medium-term. In fixed income, GSAM remains bearish on government bonds and believes long dated rates are likely to remain range bound given the shift in Fed policy and limited inflationary pressures. Overall, GSAM remains positive on equities and prefers corporate credit over government bonds, though upside is likely capped by the strong equities rebound and credit spread compression already seen this year. 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.

**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 MULTI-MANAGER ALTERNATIVE STRATEGIES PORTFOLIO

as of 03/31/2019

## ASSET ALLOCATION (%)

U.S. Alternative Funds	32.16	U.S. Fixed Income Funds	5.27
International Alternative Funds	31.70	U.S. Mixed Allocation Funds	2.76
International Fixed Income Funds	19.38	Net Other Assets (Liabilities)	1.44
International Equity Funds	7.31	Derivatives	-0.02

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	2.17	2.90	1.82
Net Expense Ratio	2.17	2.90	1.82

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)	4.33	4.33	-0.61	1.84	0.78	4.15	1.67
Class I (at NAV)	4.46	4.46	-0.29	2.20	1.11	-	2.46
Class A (at POP)	-1.43	-1.43	-6.04	-0.05	-0.35	3.56	1.21
ICE BofAML 3-Month Treasury Bill +3% Wrap Index	1.35	1.35	5.23	4.27	3.81	3.48	-
HFRX Global Hedge Fund Index	2.60	2.60	-3.32	1.95	-0.30	1.74	-

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.

The ICE BofAML 3-Month Treasury Bill +3% Wrap Index is an unmanaged index used as a general measure of market performance. The HFRX Global Hedge Fund Index (HFRX) 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. It is not possible to invest directly into an index.

Diversification does 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. 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. TAM and Goldman Sachs Asset Management, L.P. (GSAM) are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

## TOP 10 HOLDINGS (%)

Transamerica Unconstrained Bond	18.17
Transamerica Global Multifactor Macro	13.53
Transamerica Event Driven	11.13
Transamerica Long/Short Strategy	10.62
Transamerica Managed Futures Strategy	10.41
Transamerica Inflation Opportunities	10.06
Transamerica Emerging Markets Debt	6.96
Transamerica High Yield Bond	3.77
Transamerica Emerging Markets Equity	3.74
Transamerica Global Real Estate Securities	3.57
<b>Total</b>	<b>91.96</b>

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