

TRANSAMERICA INTERMEDIATE MUNI

A | TAMUX | 10/31/2012 C | TCMUX | 10/31/2012 I | TIMUX | 10/31/2012

INVESTMENT OBJECTIVE

The fund seeks to maximize total return through a combination of current income that is exempt from federal income tax and capital appreciation.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Muni National Interm
Lipper Category	Intermediate Municipal Debt
Dividend Frequency	Monthly
Primary Benchmark	Bloomberg Barclays Muni Managed Money Intermediate Index

SUB-ADVISER



Belle Haven Investments, L.P. (Belle Haven)

PORTFOLIO MANAGERS

Matthew Dalton
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MACROECONOMIC OVERVIEW

Investor sentiment changed drastically throughout the quarter as long dated treasuries rallied 0.20% in fear of an impending trade war and global slowdown. The recent bond rally was aided by the recent Federal Open Market Committee (FOMC) meeting in which U.S. Federal Reserve (Fed) Chair Powell announced a plan to end the Fed's balance sheet runoff in September and keep rates steady. Investor expectations seem to be in line with Powell's statements as the street forecasts that the FOMC will hold true and keep rates steady throughout the year. Municipal supply has grown steadily month-over-month to start 2019 and expect this trend to continue as Q2 historically brings the heaviest supply of the calendar year. Q1 saw 24.4 billion inflows into municipal funds, breaking the trend the street saw to conclude 2018 as each month in Q4 produced fund outflows.

FUND OVERVIEW

Transamerica Intermediate Muni returned 2.96% (Class I) for the quarter, outperforming its benchmark, the Bloomberg Barclays Municipal Managed Money Intermediate Index, which returned 2.91%. Over the course of the first quarter, the fund's effective duration fell from 5.76 years to 5.24 years, whereas the benchmark's duration shortened from 5.67 years to 5.48 years. Despite the shorter duration relative to the benchmark, the fund was able to outperform in a falling interest rate environment due to the outperformance in the 17-20 year maturity bucket versus the benchmark, however underperformed long bonds past 20 years due to its underweighting. Housing bonds were the strongest performing sector in the fund this quarter. Additionally, New York, Ohio & Colorado were the largest state contributors to outperformance versus the benchmark.

OUTLOOK

As the second quarter of 2019 begins, municipal supply is expected to pick up following the lack of expected issuance to start the year. Although 2019's Q1 issuance is up 16.8% year-over-year versus 2018, it could be considered an outlier as Q1 2018 followed the record-breaking issuance in December '17. Historically, Q2 tends to provide the heaviest supply of the calendar year and expect this to continue in the low interest rate environment as issuers will look to save on their borrowing costs. Smaller issues requiring extra yield to come to market will continue to be monitored closely in search of performance and opportunistic trading. Tax exempts are expected to continue to be in demand to start Q2 after taxpayers file their taxes in early April, desiring tax-sheltered income.

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 INTERMEDIATE MUNI

as of 03/31/2019

FEES (%)

	A	C	I
Gross Expense Ratio	0.77	1.53	0.58
Net Expense Ratio	0.67	1.28	0.58

The Max Sales Charge for Class A shares is 3.25%. 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)	2.85	2.85	5.18	2.37	4.24	-	4.75
Class I (at NAV)	2.96	2.96	5.36	2.49	4.37	-	4.87
Class A (at POP)	-0.50	-0.50	1.74	1.24	3.55	-	4.21
Bloomberg Barclays Muni Managed Money Intermediate Index	2.91	2.91	5.63	2.31	3.29	-	-

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 (%)

New Jersey Economic Development Authority, Series PP, AGM-CR, 5.00%, due 06/15/2025	1.12
Golden State Tobacco Securitization Corp., Series A-2, 5.00%, due 06/01/2047	0.95
Golden State Tobacco Securitization Corp., Series A-1, 5.00%, due 06/01/2047	0.88
Commonwealth of Pennsylvania, Series A, AGM-CR, 4.00%, due 09/15/2030	0.87
Downtown Development Authority, 5.00%, due 07/01/2048	0.74
Commonwealth of Pennsylvania, Series A, AGM-CR, 4.00%, due 09/15/2031	0.65
Will County School District No. 86, Series C, AGM-CR, 5.00%, due 03/01/2024	0.64
University of Texas System, Series B, 2.50%, due 08/15/2036	0.63
Mississippi Development Bank, AGM-CR, 5.25%, due 02/01/2049	0.61
Lemoore Water Revenue, BAM, 5.00%, due 06/01/2049	0.59
Total	7.68

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	1.72
1-3 Years	5.00
3-5 Years	9.35
5-10 Years	34.69
10-20 Years	32.84
20+ Years	11.31
Net Other Assets (Liabilities)	4.66

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 Bloomberg Barclays Muni Managed Money Intermediate Index (Bloomberg Barclays MMMI 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. Municipal bond prices can rise or fall depending on interest rates. Interest rates may go up, causing the value of the Fund's investments to decline. All municipal bonds carry credit risk that the issuer will default or be unable to make timely payments of interest and principal. Generally, lower rated bonds carry more credit 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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