

TRANSAMERICA INFLATION OPPORTUNITIES

A | TIOAX | 03/01/2014 C | TIOCX | 03/01/2014 I | ITIOX | 03/01/2014

INVESTMENT OBJECTIVE

The fund seeks maximum real return, consistent with appreciation of capital.

KEY FACTS

| | |
|-----------------------------|---|
| Investment Manager | Transamerica Asset Management, Inc. (TAM) |
| Morningstar Category | Inflation-Protected Bond |
| Lipper Category | Inflation Protected Bond |
| Dividend Frequency | Monthly |
| Primary Benchmark | Bloomberg Barclays Global Inflation Linked Bond Index |

SUB-ADVISER



PineBridge Investments LLC (PineBridge)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

U.S. Inflation Linked Securities posted a positive gain for the quarter, handily outperforming nominal U.S. Treasuries, despite a down-tick in U.S. consumer price index where, year-over-year inflation declined from 1.6% to 1.5% after the February print. Gross Domestic Product also declined to 2.2% year-over-year in the fourth quarter. Slowing economic numbers usually don't bode well for future inflation, however, the U.S. Federal Reserve's (Fed) hard turn on interest rate policy and the balance sheet outweighed the economic data. The Fed announced that it is no longer forecasting any rate hike in 2019, along with a decision to end quantitative tightening by September of this year. These two factors combined to make the entire treasury curve rally as well as a renewed interest in inflation linked products as participants fear that the Fed will allow inflation to run higher than anticipated. This reversal caught the market by surprise as the new policy is in direct opposition to their statements just 3 months ago.

FUND OVERVIEW

Transamerica Inflation Opportunities returned +3.66% for the first quarter of 2019, versus a +3.90% return for the Bloomberg Barclays Global Inflation Linked index, resulting in an underperformance of -0.24%. The largest detractor to performance was the underweight UK linkers. The British sovereign curve rallied along with the currency as Brexit talks continue to break down. The yield curve also contributed to underperformance as rates rallied around the globe, the Global index has a 12.4 year duration and the portfolio is five years shorter. Security selection in U.S. Treasury inflation protected securities (U.S. TIPS), Australian inflation linked notes, and inflation related corporate debt contributed to performance, as the credit rally combined with the nominal curve rally, bolstered total returns.

OUTLOOK

The Fed's dovish stance caused a massive short covering rally across the globe. The effect was particularly strong in the U.S. as the U.S. Treasury curve inverted in relation to the Fed Funds Effective Rate (FFER) out to seven years and the 10 year note briefly went lower than FFER for a short period. PineBridge believes the curve will normalize after the shorts have covered and believes that the call of a recession in the U.S. is premature. As a result, fund duration will remain short for the near future. The UK government remains at a complicated Brexit stalemate lacking votes for a new referendum, a negotiated settlement, or 'Hard Brexit' and there seems no workable solution. The fund will remain underweight the UK until some clarity for a path forward evolves. Stimulus in China is beginning to show promise as rate of decline has turned slightly positive. As a result, PineBridge continues to favor Australia, New Zealand, and Canada inflation bonds as they stand to benefit from infrastructure spending. U.S. growth continues to slow, however, it is growing at a faster rate than the EU and Japan. In light of growth projections, PineBridge finds the U.S. inflation bonds and the U.S. dollar are the better values.

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 INFLATION OPPORTUNITIES

as of 03/31/2019

FEES (%)

| | A | C | I |
|---------------------|------|------|------|
| Gross Expense Ratio | 1.00 | 1.81 | 0.82 |
| Net Expense Ratio | 1.00 | 1.75 | 0.75 |

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) | 3.66 | 3.66 | 1.63 | 2.19 | 1.03 | - | 1.01 |
| Class I (at NAV) | 3.64 | 3.64 | 1.91 | 2.43 | 1.27 | - | 1.25 |
| Class A (at POP) | -1.29 | -1.29 | -3.22 | 0.56 | 0.04 | - | 0.05 |
| Bloomberg Barclays Global Inflation Linked Bond Index | 3.90 | 3.90 | -1.94 | 2.42 | 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. 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 (%)

| | |
|---|--------------|
| U.S. Treasury Inflation-Indexed Note, 0.12%, due 01/15/2022 | 5.40 |
| Spain Government Inflation-Linked Bond, 0.30%, due 11/30/2021 | 5.06 |
| U.S. Treasury Inflation-Indexed Bond, 2.37%, due 01/15/2025 | 4.64 |
| U.S. Treasury Inflation-Indexed Bond, 3.87%, due 04/15/2029 | 3.25 |
| U.S. Treasury Inflation-Indexed Bond, 3.37%, due 04/15/2032 | 3.07 |
| U.S. Treasury Inflation-Indexed Note, 0.37%, due 07/15/2025 | 3.04 |
| U.S. Treasury Inflation-Indexed Note, 0.62%, due 01/15/2026 | 3.00 |
| U.S. Treasury Inflation-Indexed Note, 0.50%, due 01/15/2028 | 2.92 |
| U.S. Treasury Inflation-Indexed Bond, 0.62%, due 04/15/2023 | 2.85 |
| U.S. Treasury Inflation-Indexed Bond, 0.75%, due 02/15/2045 | 2.80 |
| Total | 36.03 |

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 | 2.36 |
| 1-3 Years | 18.72 |
| 3-5 Years | 13.95 |
| 5-10 Years | 34.60 |
| 10-20 Years | 15.43 |
| 20+ Years | 13.88 |
| Net Other Assets (Liabilities) | 0.59 |

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 Global Inflation Linked Bond 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. Fixed income investing is subject to credit risk, inflation risk, and interest rate risk. Investing in high-yield (junk bonds) may be subject to greater volatility and risks as the return of principal and income derived from these securities are not guaranteed and can fluctuate based on firm profitability and economic conditions. Interest payment on inflation-related debt securities will vary as the principal and/or interest is adjusted for inflation.

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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