TRANSAMERICA®

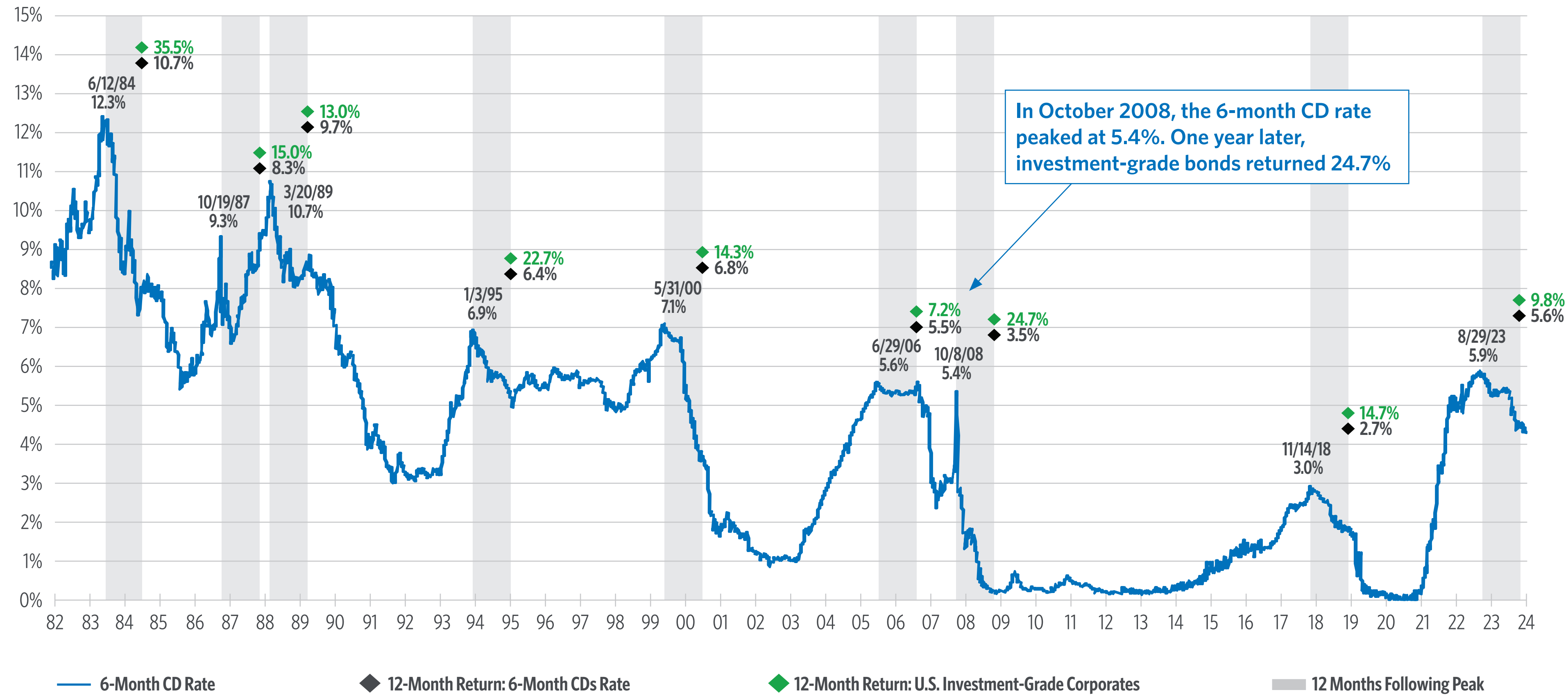
FIXED INCOME CAN DELIVER STRONG RETURNS AFTER CD RATES PEAK

Over time, certificates of deposit (CDs) have been a lower-risk option for investors who are concerned about market volatility and want to take advantage of periods where CD rates have been attractive compared to rates earned on risk-based or high-duration assets. However, history has shown that after CD rates peak in a specific period, traditional fixed income assets have delivered compelling returns in the trailing 12 months. When the tide shifts too far toward CDs, investors may miss out on potential returns on investment-grade and other fixed income investments.

Fixed income assets are subject to market risk, including loss of principal. Past performance does not guarantee future results. It is not possible to invest directly in an index.

For more information, please see the second page for applicable disclosures related to CDs and fixed-income investing.

6-month CD rates vs. 12-month return of U.S. investment-grade corporates after CD rates peak



Source: Federal Reserve Board of Governors, Bloomberg. Prior to June 28, 2013, 6-month CD represented by Federal Reserve Data Series "Average Rate on 6-Month Negotiable Certificates of Deposit;" from July 1, 2013, 6-month CD represented by Bloomberg U.S. 6-Month CD Index; U.S. investment-grade corporate bonds represented by the Bloomberg U.S. Corporate Bond Index. CD 12-month return calculated by reinvesting at current 6-month rate on maturity of initial CD.

The Bloomberg U.S. Corporate Bond Index measures the investment-grade, fixed-rate, taxable corporate bond market.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

Lessons from history: When "cash on the sidelines" means missing an opportunity

In September 2008, the global financial crisis descended on the markets, fueling the Great Recession. In response, the Federal Reserve embarked on dramatic monetary easing, including a zero interest rate policy and large-scale asset purchases to maintain a low-rate environment and market liquidity.

During the final months of 2008, investment-grade bond yields and credit spreads spiked to generational highs, setting up strong buying opportunities in the following year as the economy progressed out of recession and the Fed maintained highly accommodative monetary policy.

In October 2008, the 6-month CD rate peaked at 5.4%. One year later that CD rate dropped to 0.31% while U.S. corporate investment-grade bonds returned 24.7% during that 12-month period. Had investors kept their cash on the sidelines (i.e., remained in CDs), they would have missed out on significant portfolio returns.

Predicting market movements is difficult and volatility can provide an uncomfortable ride for many investors. Over time, risk-based assets have historically shown to provide significant returns and diversification benefits. History shows that prudent fixed income investing typically includes exposure to the many facets of the overall fixed income market versus trying to make market calls.

Certificates of Deposit (CDs)

A certificate of deposit (CD) is a savings product that earns interest on a lump sum investment for a fixed period of time (typically 1 month up to 20 years). The money in CDs must remain invested for the entirety of the stated term or be subject to penalty fees or lost interest. In return for keeping in investment untouched, the issuer agrees to pay you a fixed rate of interest during the time you own the CD until it matures and you get back the principal amount paid.

CDs are FDIC insured, within limits, and have principal and interest guarantees but offer no opportunity for growth of capital or income. The principal value and return of an investment in mutual funds will fluctuate with changes in market conditions. Bonds generally offer higher income than either CDs or money market funds.

Risks of CDs: Investing in CDs, while insured, is not risk free. These investments can be subject to penalties for early withdrawals, fixed rates while interest rates are rising, and potential effects of inflation.

Fixed Income Securities

Fixed income securities are subject to risks including credit risk, interest rate risk, counterparty risk, prepayment risk, extension risk, valuation risk, and liquidity risk. The value of fixed income securities generally goes down when interest rates rise, and therefore the value of your investment may also go down. High-yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of an investment.

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Contact your financial professional today to see the role fixed income can play in your portfolio.

Visit: transamerica.com/mutualfunds

All investments, including mutual funds, carry a certain amount of risk including the possible loss of the principal amount invested.

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 visit 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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