

Transamerica International Small Cap Value

Class I TISVX

Investment Objective

The fund seeks maximum long-term total return.

Sub-adviser

Thompson, Siegel & Walmsley LLC (TSW)

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Portfolio Managers

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Product Profile

A portfolio designed to focus on equity securities of small-cap companies located outside of the United States

- ➔ Invests at least 80% of the fund's net assets in small-capitalization companies
- ➔ Employs a relative value process using a combination of quantitative and qualitative methods
- ➔ Composed of approx. 80-120 securities

Fund Facts

Inception Date (I)	01/04/13
Benchmark Index	MSCI EAFE Small Cap Index Gross
Morningstar Category	Foreign Small/Mid Value
Lipper Category	International Small/Mid-Cap Core
Dividend Frequency	Annually

This material was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact your financial professional.

Macroeconomic Overview

The MSCI EAFE Small Cap index finished up 7.95% for the quarter in U.S. dollar terms. All regions within the index posted positive absolute returns for the quarter. Europe was the top performer up 9.75%. Despite returning 6.33% during the quarter the United Kingdom was the worst performing region in the benchmark. All sectors, except energy, posted positive absolute returns. Information technology was the top performer returning 13.13%. On a sector basis, energy presented the only negative return, down 1.34% as excess supply continues to weigh on oil prices.

Fund Overview

The portfolio was held back by stock selection in Europe and our modest allocation to Emerging Markets. The top detractor in Europe was Swiss asset manager GAM Holding. Last quarter's top portfolio contributor, GAM shares strengthened as an activist shareholder published a plan to turnaround the company. We exited our position due to a weak long-term outlook for the company. Dutch online broker BinckBank was another detractor after the market reacted negatively to an acquisition of a wealth management "roboadvisor."

Stock selection in the United Kingdom was the top contributor to portfolio performance by a wide margin. Savills, a global real estate services provider indicated a strong finish for 2016 and shares rallied. Other top contributors in the United Kingdom including Inchcape and Inmarsat, reported earnings ahead of expectations.

Positions in real estate and energy were the main drivers of portfolio relative performance. Savills plc led the way and was joined by Australian real estate manager Charter Hall Group who posted a half year net profit increase of 20%. Australia's Senex Energy was the top performing company in the energy sector and another top contributor, Ithaca Energy, received a friendly takeover offer from a shareholder.

Stock selection in industrials and financials were the primary drag on portfolio performance. In Industrials, Sanwa and Berendsen were the primary culprits. Sanwa, the Japanese metal door manufacturing company, reported a 10% decline in third quarter operating profit. Berendsen continued to suffer from the aftermath of equipment failures during the fourth quarter of 2016. In financials, the most significant detractors from the sector's performance

Outlook

Global economic conditions are generally favorable for stocks. Valuation has moved higher, reflecting positive investor sentiment and risk appetite. Political factors are likely to introduce bouts of volatility that can create good buying opportunities; but after six years of strong market performance, we believe a disciplined, selective approach with an eye toward value is appropriate.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
DENKI KAGAKU KOGYO K K COMMON STOCK	3.12	24.16	0.69
Sanwa Holdings Corp	1.84	31.56	0.59
CLOETTA AB B SHS COMMON STOCK SEK5.0	2.08	25.41	0.48

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
VALUE ADDED TECHNOLOGIES COMMON STOCK KRW500.	0.90	-15.95	-0.15
BINCKBANK NV COMMON STOCK EUR.1	0.84	-10.43	-0.09
GAM HOLDING AG COMMON STOCK CHF.05	0.82	0.37	-0.09

*Source: Morningstar Direct

**Not insured by FDIC or any federal government agency. May lose value.
Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.**

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Top 10 Holdings

	% of Holdings
Denka Co., Ltd.	3.08
UBM PLC	2.54
Cloetta AB, B Shares	2.22
Hikari Tsushin, Inc.	2.03
Rohto Pharmaceutical Co., Ltd.	1.90
Smurfit Kappa Group PLC, Class B	1.81
Savills PLC	1.77
Sanwa Holdings Corp.	1.73
Cia de Distribucion Integral Logista Holdings SA	1.72
Prysmian SpA	1.66
Percentage of total portfolio	20.46

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

Equity Statistics

Median Market Cap	\$1.33 (B)
Weighted Average Market Cap	\$2.11 (B)

B = Billions

Closed to new investors.

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 decisions.

Net asset value (NAV) returns include reinvestment of dividends and capital gains but do not reflect the deduction of any sales charges. There are no sales charges for Class I shares.

The gross expense ratio for the Class I shares of this fund is 1.12%. The net expense ratio for the Class I shares of this fund is 1.12%. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.

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.

Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, qualified retirement plans, certain endowment plans and foundations and Directors, Trustees and employees of the funds' affiliates.

The MSCI EAFE Small Cap Index Gross (MSCI EAFE Small Cap 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.

Investments in international markets involve risks not associated with U.S. markets, such as currency fluctuations, adverse social and political developments, and relatively small size and lesser liquidity of the markets. Investing in small- and medium-size companies involves greater risk than is customarily associated with more established companies. The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down.

Before investing, consider the fund's investment objective, risks, charges, and expenses. Contact your financial professional or go to transamerica.com for a prospectus and/or summary prospectus with this information. Read it carefully.

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.

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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class I (at NAV)	7.12	7.12	6.77	2.15	N/A	N/A	7.44
MSCI EAFE Small Cap Index	8.07	8.07	11.40	3.95	N/A	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class I (at NAV)	-0.85	7.95	-6.28	N/A	N/A	N/A	N/A
MSCI EAFE Small Cap Index	2.55	9.94	-4.63	N/A	N/A	N/A	N/A

Risk Characteristics*

3 years

	Portfolio
Alpha	-1.16
Beta	0.83
R-Squared	86.50
Standard Deviation	10.81

*Risk measures are in comparison to the fund's primary benchmark unless otherwise indicated. Based on Class I shares at NAV for the 3-year period.

Alpha is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.

The performance data presented 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.