

Transamerica Small Cap Value

Class A TSLAX | Class I TSLIX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Boston Advisors, LLC (Boston Advisors)

BOSTON ADVISORS

Portfolio Managers

David Hanna
 James W. Gaul, CFA
 Michael J. Vogelzang, CFA
 Douglas A. Riley, CFA

Product Profile

Small-cap value strategy designed to consistently generate excess return relative to the benchmark primarily through stock selection.

- ➔ The strategy is a unique combination of proprietary, robust quantitative modeling and fundamental research.
- ➔ Boston Advisors uses a proprietary economic Regime Model, which influences the factor set and factor weights in the stock selection model during different market conditions (bull, bear and efficient). Regime Model also informs the portfolio managers as part of the portfolio construction process.
- ➔ The strategy is managed to be "style pure" to the Russell 2000® Value Index.

Fund Facts

Inception Date (A-I)	04/21/17 - 04/21/17
Benchmark Index	Russell 2000® Value Index
Morningstar Category	Small Blend
Lipper Category	Small-Cap Value
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

U.S. equity markets remain strong with most benchmarks just off all-time highs. The benchmark Russell 2000® Value Index, however, is still consolidating its post-election gains and rose only 0.67% for the second quarter while the Russell 2000® Growth Index rose a much stronger 4.39%. Within the benchmark, the health care sector had the highest return for the second consecutive quarter at 4.5%, followed by Industrials at 4.2%. Energy was by far the worst (again) at -20.7%, reflecting the decline of 9.0% in crude oil. The fundamental factors in Boston Advisors' risk models had a mixed quarter. Value was weak and was the worst major factor. Growth, however, was positive.

Fund Overview

Sector and industry allocation for the quarter was flat, as was the impact from cash. All attribution to the fund's performance was due to stock selection, which was a very strong net positive. Stock selection in the real estate sector was strongly positive at over 100%. Five of the seven names owned during the quarter were additive, led by DuPont Fabros Technology (0.00% as of 6/30/2017), which rose 26.2% on merger news. The industrials sector was also very strong. Triton International, Ltd. (1.62% as of 6/30/2017) a shipping container company, rose 31.8% on the back of global economic expectations. The weakest sector was financials. All three capital markets holdings (Piper Jaffrey Cos. (1.10% as of 6/30/2017), Stifel Financial Corp. (1.19% as of 6/30/2017) and Evercore Partners, Inc., Class A (1.56% as of 6/30/2017)) fell. Using the Bloomberg risk model, factor contribution was negative, with the culprit being value.

Outlook

The market view has not changed. Boston Advisors likes the healthy balance between skepticism seen in the press and some sell-side firms with positive market factors. Investors continue to focus on expectations for marginally better domestic and global growth, increasing earnings and pro-cyclical policy directions from global leaders and central bankers. Markets have consolidated election gains and are trading near all-time highs in the U.S. Absent new developments to the contrary, this is a positive environment. In general, Boston Advisors believe that they remain positioned for a positive market with respect to sector positioning, low cash and individual holdings that should respond well to current market conditions. The largest sector overweights continue to be technology and industrials, driven mainly by individual names rather than strategic sector decisions. Boston Advisors previous underweight in consumer discretionary has been decreased as the sector turned a corner recently on a relative basis. The largest underweights are now utilities and real estate, though the latter is temporary while Boston Advisors find a replacement for the sale of DuPont Fabros Technology.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Dupont Fabros Technology, Inc.	1.39	28.68	0.46
Triton International, Ltd.	1.30	31.77	0.38
Fox Factory Holding Corp.	1.64	24.04	0.37

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
AMC Entertainment Holdings, Inc., Class A	0.99	-27.05	-0.32
Sanchez Energy Corp.	0.68	-23.94	-0.25
Unit Corp.	0.95	-22.48	-0.24

*Source: Morningstar Direct

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.

**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
Summit Hotel Properties, Inc., REIT	1.83
Corporate Office Properties Trust, REIT	1.83
Associated Banc-Corp.	1.82
Washington Federal, Inc.	1.81
Fox Factory Holding Corp.	1.81
Xenia Hotels & Resorts, Inc., REIT	1.80
Valley National Bancorp	1.79
CareTrust REIT, Inc.	1.76
ePlus, Inc.	1.75
PS Business Parks, Inc., REIT	1.74
Percentage of total portfolio	17.94

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	\$1.48 (B)
Weighted Average Market Cap	\$2.09 (B)

B = Billions

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.

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.

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 of 5.50%. Performance for other share classes will vary.

The gross expense ratios for this fund are 1.38% and 1.03% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.30% and 1.03% for Class A and Class I shares, respectively. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.

The Russell 2000® Value 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. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell indexes. Russell® is a trademark of Russell Investment Group.

The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. Small capitalization companies may have less experienced management, unpredictable earnings growth, and limited product lines, which can cause their share prices to fluctuate more than those of larger firms. Value stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "growth" stocks. 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 A (at NAV)	N/A	N/A	N/A	N/A	N/A	N/A	2.80
Class A (at POP)	N/A	N/A	N/A	N/A	N/A	N/A	-2.82
Class I (at NAV)	N/A	N/A	N/A	N/A	N/A	N/A	2.87

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class R4 (at NAV)	19.24	-6.33	7.08	33.88	15.81	1.11	22.86
Russell 2000® Value Index	31.74	-7.47	4.22	34.52	18.05	-5.50	24.50

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.

Risk Measures*

3 years

	Portfolio
Alpha	-4.91
Beta	0.90
R-Squared	93.70
Standard Deviation	14.25

*Risk measures are in comparison to the fund's primary benchmark unless otherwise indicated. Based on Class A 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.