

Transamerica Dividend Focused

Class A TDFAX | Class I TDFIX

Investment Objective

The fund seeks total return gained from the combination of dividend yield, growth of dividends and capital appreciation.

Sub-adviser

Barrow, Hanley, Mewhinney & Strauss, LLC (BHMS)

**BARROW, HANLEY,
MEWHINNEY & STRAUSS**

Portfolio Managers

Ray Nixon, Jr.
Brian Quinn, CFA
Lewis Ropp

Product Profile

A total return strategy that seeks the combination of dividend yield, growth of the dividend, and capital appreciation

- ➔ Focused on large- and medium-sized companies with 25 years of dividend history
- ➔ Contrarian approach that looks for stocks with attractive valuations
- ➔ Concentrated portfolio of approximately 35-45 stocks

Fund Facts

Inception Date (A-I)	01/04/13 - 01/04/13
Benchmark Index	Russell 1000® Value Index
Morningstar Category	Large Value
Lipper Category	Equity Income Funds
Dividend Frequency	Quarterly

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

Throughout the first two months of the third quarter, interest rates remained low and the U.S. 10-year Treasury reached a year-to-date low of 2.04% in early September. The markets then began to focus on what the U.S. Federal Reserve had announced it would do next – begin shrinking its \$4.5 trillion balance sheet in conjunction with a December 2017 rate hike and multiple other rate hikes in 2018 – and the response was immediate: the U.S. 10-year Treasury spiked to 2.33% by the end of September. The effect on stocks was also rapid, as many that had benefitted from “lower for longer” interest rates began to falter, and the “bond proxies” in the utilities, real estate, and consumer staples sectors all lagged during the quarter. Conversely, sectors more geared to better economic growth and higher interest rates outperformed, including financials, materials, and energy. While energy is still the worst-performing sector in 2017, energy stocks bounced back sharply during the third quarter, rising more than 10% in September alone. The biggest winners during both the quarter and year-to-date periods have been technology stocks, which have continued to move sharply higher.

Fund Overview

Performance of the Transamerica Dividend Focused Fund was in-line with the Russell 1000® Value during the third quarter of 2017. On a sector level basis, stock selection combined with an overweight allocation within the outperforming energy sector was the greatest contributor to performance. Also posting positive returns and benefiting performance was BHMS’ stock selection, relative to the benchmark, within both the consumer discretionary and telecommunication services sectors. Stock selection within health care and financials detracted most from relative performance as did an underweight allocation and negative performers in the information technology sector.

Outlook

BHMS have been expecting a sustained turn in favor of value stocks for some time now. After 8 ½ years of growth stock dominance (with a brief reprieve in 2016), the patience of value investors is being tested. Yet this is not the first growth cycle BHMS have endured in our 38-year history and are confident that the environment for value investing is a ripe one. If markets cannot rely on continued easy money policies as an incentive to drive valuations higher, investors must once again look at earnings and fundamentals of the underlying companies. BHMS remains confident that the conservative, defensive style of investing is a proven one. Importantly, BHMS’s process also provides downside protection by focusing on undervalued companies with strong fundamentals and a meaningful and growing dividend. If markets fall, or produce modest returns compared to the past eight years, BHMS’s strategy typically outperforms.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
BP PLC, ADR	3.24	12.75	0.40
Adient PLC	1.47	28.83	0.40
Verizon Communications, Inc.	3.03	12.29	0.35

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Altria Group, Inc.	2.47	-13.94	-0.38
Medtronic PLC	2.91	-11.40	-0.36
Cardinal Health, Inc.	1.90	-13.52	-0.28

*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.**

Transamerica Dividend Focused

Class A TDFAX | Class I TDFIX

Top 10 Holdings

	% of Holdings
State Street Corp.	4.43
DowDuPont, Inc.	3.93
Bank of America Corp.	3.78
Merck & Co., Inc.	3.76
JPMorgan Chase & Co.	3.63
Johnson & Johnson	3.57
Wells Fargo & Co.	3.57
Pfizer, Inc.	3.56
American Express Co.	3.51
BP PLC, ADR	3.47
Percentage of total portfolio	37.21

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	\$64.58 (B)
Weighted Average Market Cap	\$128.00 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	2.76	9.97	18.45	8.23	N/A	N/A	12.27
Class A (at POP)	-2.88	3.96	11.98	6.20	N/A	N/A	10.94
Class I (at NAV)	2.91	10.22	18.76	8.41	N/A	N/A	12.46
Russell 1000® Value Index	3.11	7.92	15.12	8.53	N/A	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	14.62	-2.95	11.00	N/A	N/A	N/A	N/A
Class I (at NAV)	14.81	-2.88	11.20	N/A	N/A	N/A	N/A
Russell 1000® Value Index	17.34	-3.83	13.45	N/A	N/A	N/A	N/A

Risk Measures*

3 Year

Alpha	0.48
Beta	0.90
R-Squared	94.50
Standard Deviation	9.60

*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.

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.

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. 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 0.97% and 0.81% for Class A and Class I shares, respectively. The net expense ratios for this fund are 0.97% and 0.81% 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.

There are no sales charges on 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 Russell 1000® 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.

Focused funds are less diversified than other mutual funds; therefore, the performance of each holding in a focused fund has a greater impact upon the overall portfolio, which increases the risks associated with investing in the fund. Value investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock considered undervalued is actually appropriately priced. ADRs involve the same risk as foreign securities including currency fluctuations, adverse social and political developments, and relatively small size and lesser liquidity of the markets. Dividend income may vary depending on market performance and is not guaranteed. A company's future ability to pay dividends may be limited.

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.