

# Transamerica Emerging Markets Equity

Class A AEMTX | Class I IEMTX

## Investment Objective

The fund seeks long-term capital appreciation.

## Sub-adviser

ClariVest Asset Management LLC  
(ClariVest)



## Portfolio Managers

David R. Vaughn, CFA  
Stacey Nutt  
Alex Turner, CFA  
Priyanshu Mutreja, CFA

## Product Profile

Well diversified strategy designed to integrate country, sector, stock, and currency selection

- ➔ Disciplined process focused on undiscovered earnings growth
- ➔ Picks stocks that consider both the analysis of individual companies and their place in the broader market
- ➔ Concentrated, high conviction strategy driven through stock selection

## Fund Facts

Inception Date (A-I)	04/30/12 - 04/30/12
Benchmark Index	MSCI Emerging Markets Index
Morningstar Category	Diversified Emerging Markets
Lipper Category	Emerging Markets
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

Most equity markets worldwide were up in the third quarter of 2017, with data continuing to point to a healthy global economy. Against this positive backdrop, central bankers have indicated that they want to gradually reduce their levels of monetary stimulus. The U.S. Federal Reserve (Fed) announced that it will start the process of “quantitative tightening”. Similar to the Fed, the European Central Bank looks set to announce a further slowdown in the pace of its own quantitative easing program and, despite concerns surrounding Brexit, even the Bank of England has strongly suggested that it will raise interest rates before the end of the year.

## Fund Overview

Emerging markets were positive for the third quarter of 2017, with the MSCI Emerging Markets Index. Transamerica Emerging Markets Equity outperformed its benchmark over the third quarter of 2017. Sector allocation was positive, where an underweight to consumer staples and an overweight to information technology contributed to performance, while an underweight to energy and an overweight to consumer discretionary detracted from performance. Stock selection within sectors was also positive, with selection the strongest in consumer discretionary and health care, and weakest in information technology and financials. Regarding countries, an underweight to India and an overweight to China contributed to performance, while an underweight to Russia and an overweight to Taiwan detracted from performance. Stock selection was strong within Brazil and China, but weak within India and Thailand.

## Outlook

During the third quarter, while the world rightfully worried about the headlines on North Korea, hurricanes, and the potential rise of the far right in Germany, markets nevertheless rose on improving global growth. Macro events obviously matter, but investors seem to have been able to tune out the global politics and remain focused on company profits. Going forward, markets will have to contend with central banks’ gradual removal of some of the monetary stimulus, but the process has been well communicated, and hopefully anticipated, and therefore less jarring. The term ‘cautiously optimistic’ seems appropriate at the moment, although admittedly overused. Ultimately, ClariVest expects the next cyclical bear market will come when earnings peak—likely still in the distance—and/or if central banks tighten monetary policy more quickly than what’s currently built into assumptions.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Tencent Holdings, Ltd.	5.82	20.35	1.16
Alibaba Group Holding, Ltd., ADR	3.96	22.58	0.83
Hynix Semiconductor, Inc.	1.72	22.87	0.43

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Hon Hai Precision Industry Co., Ltd.	2.77	-6.46	-0.18
NetEase, Inc., ADR	1.26	-12.39	-0.18
LG Electronics, Inc.	0.64	-17.74	-0.14

\*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
Tencent Holdings, Ltd.	5.93
Samsung Electronics Co., Ltd.	5.64
Alibaba Group Holding, Ltd., ADR	4.05
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	2.64
Naspers, Ltd., N Shares	2.49
Hon Hai Precision Industry Co., Ltd.	2.38
SK Hynix, Inc.	2.29
China Construction Bank Corp., Class H	2.08
KB Financial Group, Inc.	1.76
China Communications Construction Co., Ltd., Class H	1.50
<b>Percentage of total portfolio</b>	<b>30.76</b>

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	<b>\$27.48 (B)</b>
Weighted Average Market Cap	<b>\$128.00 (B)</b>

**B** = Billions

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr	Inception*
Class A (at NAV)	8.06	30.38	24.34	3.19	3.57	N/A	2.26
Class A (at POP)	2.09	23.19	17.52	1.26	2.41	N/A	1.20
Class I (at NAV)	8.22	30.63	24.69	3.54	3.95	N/A	2.60
MSCI EMI	8.04	28.14	22.91	5.28	4.36	N/A	-

\* Average Annual Total Return

## Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	7.77	-20.36	0.38	-1.62	N/A	N/A	N/A
Class I (at NAV)	8.19	-20.06	0.71	-1.27	N/A	N/A	N/A
MSCI EMI	11.60	-14.60	-1.82	-2.27	N/A	N/A	N/A

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.

## Risk Characteristics

3 years

Alpha	-2.01
Beta	0.98
R-Squared	95.30
Standard Deviation	15.83

\*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.

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 1.73% and 1.31% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.73% and 1.31% 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.**

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.

The MSCI Emerging Markets Index (MSCI EMI) 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.

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. The risks of investing in foreign securities are magnified in emerging markets. These may include risks related to market and currency volatility, adverse social and political developments, and the relatively small size and less liquidity of these markets.

**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.**