

# 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  
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## 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 Mkts
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

Emerging markets were positive for the month of June with the MSCI Emerging Markets Net Index returning +1.01%, bringing performance for the trailing twelve months to 23.75%. Markets rallied during the second quarter of 2017, in part due to growth of the global economy. According to the International Monetary Fund, the world economy gained speed in the fourth quarter of 2016, and the momentum is expected to persist. Global gross domestic product growth is projected to increase from an estimated 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. All of the world's top 20 economies have grown year-to-date, an expansion in developed markets that hasn't happened since 2010, and is also boosting growth in emerging market economies.

## Fund Overview

Transamerica Emerging Markets Equity underperformed its benchmark over the second quarter of 2017. Sector allocation was positive, where an overweight to information technology and an underweight to telecommunication services contributed to performance, while overweights to materials and energy detracted from performance. Stock selection within sectors was also positive, with selection the strongest in financials and health care, and weakest in energy and materials. Regarding countries, underweights to Qatar and India contributed to performance, while underweights to Greece and Poland detracted from performance. Stock selection was strong within South Korea and Malaysia, but weak within China and Mexico.

## Outlook

Equity markets have been supported by the view that growth will remain positive and interest rates will stay low going forward. Therefore, the market is vulnerable to either of those assumptions faltering, with the main risks being a recession or an unexpected interest rate scare. ClariVest believes that neither of those scenarios is likely in the near to medium term. There do appear to be downside risks from any policy shift toward protectionism, with potential lower growth caused by reduced trade and cross-border investment. An active approach may be the best positioned to take advantage of opportunities for the remainder of 2017. Equities remain the asset class of choice, but investors who are habitually underexposed to international and emerging market assets may need to rethink their allocations given the strengthening global economy.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Tencent Holdings, Ltd.	5.09	25.04	1.13
Alibaba Group Holding, Ltd., ADR	2.35	30.67	0.66
Samsung Electronics Co., Ltd.	5.06	12.78	0.62

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Banco do Brasil SA	1.14	-26.42	-0.36
PetroChina Co., Ltd., Class H	1.97	-15.64	-0.35
Barclays Africa Group, Ltd.	0.68	-34.50	-0.25

\*Source: Morningstar Direct

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## Top 10 Holdings

	% of Holdings
Tencent Holdings, Ltd.	5.34
Samsung Electronics Co., Ltd.	5.14
Alibaba Group Holding, Ltd., ADR	3.57
Hon Hai Precision Industry Co., Ltd.	2.87
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	2.66
Naspers, Ltd., N Shares	2.43
China Construction Bank Corp., Class H	2.10
KB Financial Group, Inc.	1.97
China Communications Construction Co., Ltd., Class H	1.67
Tata Motors, Ltd., Series V, ADR	1.63
<b>Percentage of total portfolio</b>	<b>29.38</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>\$26.07 (B)</b>
Weighted Average Market Cap	<b>\$103.00 (B)</b>

**B** = Billions

## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	5.19	20.66	24.73	-0.25	2.77	N/A	0.85
Class A (at POP)	-0.60	14.01	17.89	-2.10	1.62	N/A	-0.25
Class I (at NAV)	5.17	20.70	24.98	0.10	3.11	N/A	1.17
MSCI EMI	6.38	18.60	24.17	1.44	4.33	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

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 Characteristics

3 years

	Portfolio
Alpha	-1.68
Beta	0.98
R-Squared	95.10
Standard Deviation	16.17

\*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.**

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

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