

Transamerica International Equity

Class A TRWAX | Class I TSWIX

Investment Objective

The fund seeks maximum long-term total return, consistent with reasonable risk to principal, by investing in a diversified portfolio of common stocks of primarily non-U.S. issuers.

Sub-adviser

Thompson, Siegel & Walmsley LLC (TSW)



Portfolio Managers

Brandon H. Harrell, CFA

Product Profile

Uses a bottom-up, value-driven, risk-managed approach to international investing in seeking to deliver solid relative performance in both up and down markets

- ➔ Proven methodology uses in-depth research and downside analysis while limiting sector, position, and emerging market weight
- ➔ Established boutique investment firm stresses value investing in U.S. and non-U.S. stocks
- ➔ Value-oriented strategy questions why stock is undervalued, then seeks sustainable catalysts to increase value

Fund Facts

Inception Date (A-I)	03/01/11 - 12/18/92
Benchmark Index	MSCI EAFE Index
Morningstar Category	Foreign Large Value
Lipper Category	International Multi-Cap Core
Dividend Frequency	Annually

Macroeconomic Overview

Global equities broadly traded higher in the fourth quarter with the MSCI EAFE Index rising 4.2% in U.S. dollar terms. Japan was the top performing region, up 8.5% on expectations of economic growth despite geopolitical uncertainty. Europe was the worst performing region, rising only 0.9% after leading the benchmark through the first three quarters of the year. Nine out of eleven sectors posted gains with energy leading the way, up 10.0%. Utilities stocks were in negative territory, down 1.0%. Health care was roughly flat. In general, cyclical sectors outperformed traditionally defensive groups for the second consecutive quarter.

Fund Overview

Transamerica International Equity underperformed the MSCI EAFE Index for the quarter. Stock selection in Europe was a top contributor to relative return on a regional basis, with ArcelorMittal (1.24% as of 12/31/17) outperforming. The multinational steel producer reported quarterly profits ahead of expectations. The United Kingdom was a primary detractor on a regional basis. Inmarsat was the worst performing portfolio holding in the group. The company has seen margin pressure due to costs associated with outfitting ships and aircraft with receiving equipment for its new satellite based broadband service. On a sector basis, financials were the largest source of outperformance with DBS Group Holdings, Ltd. (1.37% as of 12/31/17) leading the way. The Singapore-based bank operator reported strong earnings supported by positive economic data in its primary markets of Singapore and Hong Kong. Information technology also contributed to relative return with Japanese game developer Square Enix Holdings Co., Ltd. (0.73% as of 12/31/17) reporting strong growth in its mobile segment. Health care stocks were a drag on returns, with Koninklijke Philips NV as the primary detractor. The company continued to reduce its stake in its lighting business and shift the focus toward medical technology. The stock pulled back in the quarter as investors await further progress on restructuring initiatives.

Outlook

TSW retains a generally favorable outlook for non-U.S. stocks in the year ahead, paced by healthy economic fundamentals in most regions. Valuations have worked steadily higher for several years, but in most cases, they are not dangerously overheated. Still, it is reasonable to expect periodic market corrections, normal occurrences that were both short-lived and shallow in 2017, to become more prominent as the market cycle matures. Upward pressure on interest rates—notably absent over the past decade—could pose a challenge this year if the synchronized global economic expansion gains steam. In a period of higher valuation and bullish investor sentiment, TSW maintains a disciplined value investment philosophy centered on the evaluation of individual stocks' return potential and downside risk.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Sony Corp.	1.59	21.29	0.33
JXTG Holdings, Inc.	1.29	25.44	0.32
DBS Group Holdings, Ltd.	1.36	21.22	0.26

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Steinhardt International	0.39	-91.62	-0.49
Sanofi	1.42	-13.13	-0.21
Inmarsat PLC	0.80	-23.10	-0.20

*Source: Morningstar Direct

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.

**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
Nestle SA	2.19
Novartis AG	2.17
Vivendi SA	1.80
ORIX Corp.	1.68
Engie SA	1.67
Koninklijke Philips NV	1.63
Heineken Holding NV	1.61
Infineon Technologies AG	1.60
Sony Corp.	1.58
Siemens AG	1.58
Percentage of total portfolio	17.51

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	\$17.59 (B)
Weighted Average Market Cap	\$50.27 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr**†	Inception*
Class A (at NAV)	4.13	22.22	22.22	7.41	8.10	N/A	6.53
Class A (at POP)	-1.60	15.46	15.46	5.40	6.87	N/A	5.66
Class I (at NAV)	4.18	22.58	22.58	7.78	8.48	3.59	6.79
MSCI EAFE Index	4.27	25.62	25.62	8.30	8.39	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	22.22	0.19	1.19	-4.78	25.10	20.92	N/A
Class I (at NAV)	22.58	0.56	1.58	-4.45	25.53	21.48	-8.59
MSCI EAFE Index	25.62	1.51	-0.39	-4.48	23.29	17.90	N/A

† Synthetic Return. Class A shares commenced operations on March 1, 2011. The performance of the Class A shares prior to March 1, 2011 reflects the performance of the Class I shares of the fund, restated to reflect the fees and expenses of Class A shares, without the effect of any fee or expense limitations. The Class I shares are using performance history from the TS&W International Equity Portfolio which commenced operations December 18, 1992. Total Returns and Average Annual Returns are shown for Class A shares calculated from December 18, 1992, the commencement of the fund.

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 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 1.24% and 0.90% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.24% and 0.90% 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.

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The MSCI EAFE 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.

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 prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down. Investments in global/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.

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Mutual Funds are sold by prospectus. Before investing, consider the funds' investment objectives, risks, charges, and expenses. This and other important information is contained in the prospectus. Please go to www.transamerica.com or contact your financial professional to obtain a prospectus or, if available, a summary prospectus containing this information. Please read it carefully before investing.