

# 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



## 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

**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

Global equities broadly traded higher in the third quarter of 2017 with the MSCI EAFE Index rising 5.4% in U.S. dollar terms. Europe was the top performing region, up 6.7% on expectations of economic growth and continued recovery in the foreign exchange value of the euro. Asia ex-Japan was the worst performing region, rising 3.7%. All eleven sectors posted gains with energy leading the way, up 13.3%. Materials stocks also posted strong returns, up 11.0%. Health care and consumer staples stocks trailed the rest of the index, with each posting a gain of 0.9%. In general, cyclical sectors outperformed traditionally defensive groups.

## Fund Overview

Transamerica International Equity underperformed the MSCI EAFE Index for the quarter. Stock selection in Japan was the top contributor to relative return on a regional basis, with Denka Co., Ltd. (0.66% as of 9/30/17) outperforming. The chemicals manufacturer has benefited from higher-priced chloroprene rubber, which it sells to a diversified customer base. Europe was the largest detractor on a regional basis. Siemens Gamesa Renewable Energy, SA (0.45% as of 9/30/17) – the product of a recent merger between Siemens Wind Power and Gamesa Corp. Tecnologica – was the largest detractor from relative return. The wind turbine company provided weak forecasts for sales in its India business, which accounts for about 15% of revenues. On a sector basis, information technology was the largest source of outperformance driven by Infineon Technologies AG (1.53% as of 9/30/17) (Infineon). Infineon's power semiconductor business has seen revenue growth above analyst estimates driven by sales into electric vehicle and renewable energy end-markets. Industrials was the largest drag on performance, with Siemens Gamesa Renewable Energy, SA as the worst performer. Consumer discretionary holdings also underperformed, with German retailer Steinhoff International Holdings NV (0.54% as of 9/30/17) (Steinhoff) as a notable laggard. The company's recently acquired subsidiary, Mattress Firm, has faced challenging market conditions and supply disruptions. TSW's longer-term thesis is that Steinhoff may benefit from a modest consumer recovery in Europe.

## Outlook

TSW's expectations for global stock markets remain generally positive thanks to economic growth in most regions and reasonable valuations. After a long advance, however, both risk appetites and some stock prices are elevated, underscoring the need for a disciplined approach. TSW cannot predict inevitable bouts of market volatility, but does expect to use exceptional market moves to acquire – or sell – mispriced stocks.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Mitsubishi Heavy Industries, Ltd.	0.73	866.18	6.71
Koninklijke Philips NV	2.02	16.27	0.32
Infineon Technologies AG	1.46	19.27	0.26

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
METRO AG	0.49	-65.12	-0.76
Teva Pharmaceutical Industries, Ltd., ADR	0.42	-46.74	-0.32
Siemens Gamesa Renewable Energy SA	0.56	-37.77	-0.28

\*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
Novartis AG	2.28
Nestle SA	2.22
Koninklijke Philips NV	1.95
Siemens AG, Class A	1.77
Engie SA	1.72
ORIX Corp.	1.65
Vivendi SA	1.63
Heineken Holding NV, Class A	1.60
Sanofi	1.57
SAP SE	1.56
Percentage of total portfolio	17.95

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>\$14.43 (B)</b>
Weighted Average Market Cap	<b>\$48.44 (B)</b>

**B** = Billions

**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.

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 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.

**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)	3.53	17.36	15.76	4.64	8.60	2.84	6.35
Class A (at POP)	-2.16	10.88	9.41	2.68	7.38	2.26	6.11
Class I (at NAV)	3.65	17.66	16.16	5.05	9.00	3.10	6.68
MSCI EAFE	5.47	20.47	19.65	5.53	8.87	1.82	–

\* Average Annual Total Return

## Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011†	2010†
Class I (at NAV)	0.56	1.58	-4.45	25.53	21.48	-8.59	12.42
Class A (at NAV)	0.19	1.19	-4.78	25.10	20.92	-8.59	12.42
MSCI EAFE	1.51	-0.39	-4.48	23.29	17.90	-11.73	8.21

†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.

## Risk Measures\*

3 years

Alpha	-0.18
Beta	0.94
R-Squared	95.90
Standard Deviation	11.82

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