

# Transamerica International Small Cap Value

Class I TISVX

## Investment Objective

The fund seeks maximum long-term total return.

## Sub-adviser

Thompson, Siegel & Walmsley LLC (TSW)



## Portfolio Managers

Brandon H. Harrell, CFA  
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## Product Profile

A portfolio designed to focus on equity securities of small-cap companies located outside of the United States

- ➔ Invests at least 80% of the fund's net assets in small-capitalization companies
- ➔ Employs a relative value process using a combination of quantitative and qualitative methods
- ➔ Composed of approx. 80-120 securities

## Fund Facts

Inception Date (I)	01/04/13
Benchmark Index	MSCI EAFE Small Cap Index Gross
Morningstar Category	Foreign Small/Mid Value
Lipper Category	International Small/Mid-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

In the third quarter of 2017, the MSCI EAFE Small Cap Index gained 7.46% in U.S. dollar terms. This was another exceptionally strong quarter and all regions and sectors posted positive returns. Europe was the top performing region for the third quarter in a row and was followed closely by the U.K. Both regions were up more than 8.0%. At the sector level, cyclical businesses led the way with information technology, energy, materials and industrials all up more than 9.0%. In contrast, less cyclical sectors like consumer staples, health care and telecommunication services lagged.

## Fund Overview

Stock selection in Japan was the primary contributor to portfolio relative return. Denka Co., a chemical company, led the way. Management reported a 50% year over year increase in operating profit, beating analysts' estimates by a wide margin. Portfolio relative return was held back by stock selection in the benchmark's top performing region, Europe. The primary portfolio detractor was Scandinavian candy producer Cloetta AB, B Shares (1.37% as of 9/30/2017). The company reported disappointing organic sales growth and gross profit margins. At the sector level, real estate was the top contributor to portfolio relative return thanks to favorable stock selection and an underweight position relative to one of the benchmark's weaker sectors. Swedish private real estate company and urban developer Dios Fastigheter AB's (1.64% as of 9/30/2017) shares rebounded as the company has reported solid revenue and margin growth giving investors renewed confidence. Consumer staples was a primary drag on portfolio relative performance. Previously mentioned Scandinavian candy producer Cloetta was the most significant detractor.

## 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 (%)
Denka Co., Ltd.	3.12	28.97	0.82
Hikari Tsushin, Inc.	2.15	19.67	0.40
Thomas Cook Group PLC	0.85	37.60	0.26

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Cloetta AB, B Shares	1.52	-16.54	-0.29
UBM PLC, ADR	2.01	-10.85	-0.23
Cia de Distribucion Integral Logista Holdings SA	1.85	-8.54	-0.18

\*Source: Morningstar Direct

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### Top 10 Holdings

	% of Holdings
Denka Co., Ltd.	3.06
Hikari Tsushin, Inc.	2.16
UBM PLC	2.12
Pargesa Holding SA	1.99
Smurfit Kappa Group PLC, Class B	1.95
Sanwa Holdings Corp.	1.90
Prysmian SpA	1.89
Gerresheimer AG	1.80
Air New Zealand, Ltd.	1.79
Rothschild & Co.	1.74
Percentage of total portfolio	20.40

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>\$1.52 (B)</b>
Weighted Average Market Cap	<b>\$2.93 (B)</b>

**B** = Billions

### Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class I (at NAV)	6.64	22.97	21.41	8.79	N/A	N/A	9.78
MSCI EAFE Small Cap Index Gross	7.52	25.85	22.29	11.53	N/A	N/A	–

\* Average Annual Total Return

### Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class I (at NAV)	-0.85	7.95	-6.28	N/A	N/A	N/A	N/A
MSCI EAFE Small Cap Index Gross	2.55	9.94	-4.63	N/A	N/A	N/A	N/A

### Risk Measures\*

3 years

Alpha	-0.71
Beta	0.82
R-Squared	88.00
Standard Deviation	10.41

\*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.

**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.**

Closed to new investors.

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. There are no sales charges for Class I shares.**

**The gross expense ratio for the Class I shares of this fund is 1.12%. The net expense ratio for the Class I shares of this fund is 1.12%. 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 Small Cap Index Gross (MSCI EAFE Small Cap 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.

Investments in 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. Investing in small- and medium-size companies involves greater risk than is customarily associated with more established companies. The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down.

**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.**