

Transamerica Large Cap Value

Class A TWQAX | Class I TWQIX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Levin Capital Strategies, L.P. (Levin)



Portfolio Managers

John Levin
Jack Murphy

Product Profile

A portfolio designed to focus on quality stocks at undervalued prices

- Contrarian and value-oriented investment philosophy
- Research based on fundamental bottom-up stock picking focused on buying quality companies when their stock prices are down
- Risk management based on incremental buying and selling, rather than market timing

Fund Facts

Inception Date (A-I)	11/15/10 - 11/15/10
Benchmark Index	Russell 1000® Value Index
Morningstar Category	Large Value
Lipper Category	Large-Cap Value Funds
Dividend Frequency	Quarterly

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

During the quarter, the Russell 1000 Value Index® advanced +1.3%. The strongest sector was health care (+6.2%). For the 2nd straight quarter, the only declining sectors were energy and telecommunications services, both down substantially (-7.0 and -7.1%). The U.S. stock market continued its record gains with the Russell 1000 Value Index® advancing for the 7th straight quarter. Overall economic fundamentals worldwide remain quite good as economic growth in the U.S. and China are steady and is quite good in Europe and the world as a whole. Fundamentals for most companies appear to be generally solid, with slow revenue growth offset by strong free cash flow for many firms. Major central banks around the world maintain their stimulative monetary policies. The sustainability of these policies remains an issue, but for the time being, steady economic growth, improved consumer confidence, and ample monetary liquidity have contributed to the recent U.S. market advance.

Fund Overview

Transamerica Large Cap Value outperformed the Russell 1000 Value Index® during the quarter. The outperformance was due to stock selection as sector weights had a marginally negative effect. The largest contributor to performance was Finland based telecom equipment company Nokia OYJ, ADR. Nokia OYJ, ADR is emerging from a complicated restructuring and is poised to enter a cyclical upswing in demand for telecom equipment. Levin likes its high cash flow, attractive dividend yield, and expected earnings growth in 2018 based on cost reductions and an improvement in sales for new product upgrades (5G). The largest detractor from performance was consumer retailer Macy's Inc. (2.11% as of 6/30/2017). Structural changes in retailing have affected traditional retailers, a key reason why we have been underweight the group for some time. Levin likes Macy's, Inc. as an unloved contrarian stock with low investor expectations, attractive valuation, strong free cash flow generation, high dividend yield and hidden real estate values.

Outlook

Levin approach to stock selection is to use bottom-up fundamental research to identify quality businesses selling below their intrinsic worth and that are led by management teams focused on creating shareholder value through strategic actions and capital deployment. Levin believes this approach is well suited to the current investment climate where growth has been low but free cash flow for many companies is strong, and merger and acquisition activity remains healthy. Levin largest positions exemplify this approach: financial services company Citigroup, Inc., and Nokia OYJ, ADR. Despite outperforming the financial sector in recent months, when compared to its peers, Citigroup, Inc. has the most excess capital that can potentially be returned to shareholders yet remains the most inexpensive on a price-to-tangible books basis. Levin also thinks the value of its business franchise is not fully recognized and expect this to be addressed by management in their communications to investors in the coming months.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Nokia Oyj ADR	5.54	16.88	0.92
Citigroup, Inc.	5.03	12.10	0.61
Nestle SA, ADR	2.70	15.86	0.57

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Macy's, Inc.	1.76	-20.26	-0.39
General Electric Co.	3.67	-8.61	-0.37
Hess Corp.	4.19	-8.50	-0.37

*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
Nokia OYJ, ADR	5.37
Citigroup, Inc.	5.35
Pfizer, Inc.	5.34
Intel Corp.	4.90
Occidental Petroleum Corp.	4.84
JPMorgan Chase & Co.	4.65
General Electric Co.	4.61
Hess Corp.	4.43
Eaton Corp. PLC	4.27
Tyson Foods, Inc., Class A	4.05
Percentage of total portfolio	47.81

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	\$35.01 (B)
Weighted Average Market Cap	\$117.00 (B)

B = Billions

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.

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr	Inception*
Class A (at NAV)	2.25	5.23	19.89	10.67	15.88	N/A	13.85
Class A (at POP)	-3.38	-0.56	13.27	8.60	14.58	N/A	12.89
Class I (at NAV)	2.31	5.33	20.13	10.95	16.25	N/A	14.22
Russell 1000® Value Index	1.34	4.66	15.53	7.36	13.94	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	21.60	2.11	8.58	35.48	16.30	-1.38	N/A
Class I (as NAV)	21.86	2.38	8.96	35.84	16.86	-0.96	N/A
Russell 1000® Value Index	17.34	-3.83	13.45	32.53	17.51	0.39	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	2.59
Beta	1.10
R-Squared	89.00
Standard Deviation	12.28

*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.

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 1.05% and 0.79% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.05% and 0.79% 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 Russell 1000® Value 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. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell indexes. Russell® is a trademark of Russell Investment Group.

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. Value investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that an undervalued stock is actually appropriately priced. The fund may be more concentrated than that of a more diversified fund, subjecting it to greater fluctuation and risk.

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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