

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

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Product Profile

A behavioral approach to investing in emerging markets

- ➔ ClariVest's philosophy centers on the interaction between improving company fundamentals and slower investor reactions to them.
- ➔ Using quantitative tools and qualitative assessments, ClariVest seeks to identify underappreciated growth.
- ➔ The portfolio is managed with awareness to sectors and country weightings in the MSCI Emerging Markets Index.

Fund Facts

| | |
|----------------------|------------------------------|
| Inception Date (A-I) | 04/30/12 - 04/30/12 |
| Benchmark Index | MSCI Emerging Markets Index |
| Morningstar Category | Diversified Emerging Markets |
| Lipper Category | Emerging Markets |
| Dividend Frequency | Annually |

Macroeconomic Overview

U.S. equity markets were generally positive in the third quarter of 2018; however, globally, returns were mixed. Chinese equities sold off significantly during the third quarter on concerns of a gross domestic product (GDP) slowdown or debt crisis. The Chinese government seemingly failed to settle nerves when reporting 6.7% economic growth in the second quarter, comfortably above their 6.5% GDP growth target for 2018. According to a Reuters poll, analysts expect the People's Bank of China to keep its benchmark lending rate unchanged at 4.35% through at least the end of 2019. The global benchmark for oil, Brent Crude, is up over 20% this year, closing September at \$82, the highest level since 2014. Prices are up partly because of the sanctions imposed on Iran, due to take effect in November but already leading to a decrease into that nation's oil output. In addition, the collapse in Venezuela's output, caused by political instability and infrastructure failure, certainly figures into the equation. Higher oil prices can act as a drag on global growth, with particular impact on the manufacturing and transportation sectors.

Fund Overview

Transamerica Emerging Markets Equity underperformed its MSCI EM benchmark over the third quarter of 2018. Stock selection hindered performance, more than offsetting positive sector allocation. Stock selection was weakest within industrials and consumer discretionary, and strongest with consumer staples and financials. Overweights to materials and energy contributed to performance while an underweight to telecommunication services and an overweight to information technology detracted from performance. Regarding countries, stock selection was strongest within China and Brazil, and weakest within Taiwan and Korea. An overweight to Thailand and an underweight to South Africa helped performance while overweights to India and Turkey detracted from performance.

Outlook

Domestic stocks have been able to climb a wall of worry, and remain near the historic highs, despite the escalating trade wars. Outside the U.S., the potential for tighter monetary policy and the prospect for a reversal in the trend towards globalization rattled investors. While there continues to be positive news on many of the macro fronts, as always, stocks face some hurdles in the short term. The International Monetary Foundation (IMF) expects global GDP to increase 3.9% in 2018 and 2019, from 3.6% in 2017, with each of the world's major economies firmly positive. However, the IMF warned that the expansion is becoming less even, as the rate of growth appears to have peaked in some major economies and higher oil prices and currency pressures have caused downward revisions to some emerging market projections. Investors have a variety of issues to fret over, including ongoing political turmoil, tariff announcements, numerous contentious elections, etc. Sticking with a long-term investment approach is certainly more difficult to do when markets aren't going straight up; however, sell-offs and volatility indicate a healthier investing environment, which could help extend the current growth cycle. ClariVest's outlook for the remainder of 2018, and into 2019, remains guardedly optimistic. That said, ClariVest would be wise to expect more bumps in the road along the way.

Contributors*

| Leading Contributors | Weight (%) | Return (%) | Contribution (%) |
|---|------------|------------|------------------|
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 4.61 | 20.79 | 0.84 |
| Vale SA, ADR | 1.90 | 19.01 | 0.34 |
| CNOOC, Ltd. | 1.86 | 17.34 | 0.32 |

Detractors*

| Leading Detractors | Weight (%) | Return (%) | Contribution (%) |
|----------------------------------|------------|------------|------------------|
| Tencent Holdings, Ltd. | 4.99 | -17.71 | -1.04 |
| Alibaba Group Holding, Ltd., ADR | 3.85 | -11.19 | -0.46 |
| Globalwafers Co., Ltd. | 0.68 | -42.64 | -0.40 |

*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 |
|---|---------------|
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 4.60 |
| Samsung Electronics Co., Ltd. | 4.05 |
| Tencent Holdings, Ltd. | 3.68 |
| Alibaba Group Holding, Ltd., ADR | 3.24 |
| Tata Consultancy Services, Ltd. | 2.67 |
| PetroChina Co., Ltd., Class H | 2.30 |
| Baidu, Inc., ADR | 2.30 |
| CNOOC, Ltd. | 2.13 |
| Naspers, Ltd., N Shares | 2.12 |
| Vale SA, ADR | 2.06 |
| Percentage of total portfolio | 29.15 |

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 | \$27.30 (B) |
| Weighted Average Market Cap | \$118.20 (B) |

B = Billions

Total Return Performance (%)

| | 3 Mo | YTD | 1 Yr | 3 Yr* | 5 Yr* | 10 Yr | Inception* |
|------------------|-------|--------|-------|-------|-------|-------|------------|
| Class A (at NAV) | -2.00 | -8.39 | -3.62 | 9.78 | 1.81 | N/A | 1.32 |
| Class A (at POP) | -7.39 | -13.41 | -8.88 | 7.71 | 0.66 | N/A | 0.43 |
| Class I (at NAV) | -1.99 | -8.17 | -3.26 | 10.15 | 2.19 | N/A | 1.66 |
| MSCI EMI | -0.95 | -7.39 | -0.44 | 12.77 | 3.99 | N/A | - |

* Average Annual Total Return

Calendar Year Performance (%)

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------|-------|-------|--------|-------|-------|------|------|
| Class A (at NAV) | 37.16 | 7.77 | -20.36 | 0.38 | -1.62 | N/A | N/A |
| Class I (at NAV) | 37.62 | 8.19 | -20.06 | 0.71 | -1.27 | N/A | N/A |
| MSCI EMI | 37.75 | 11.60 | -14.60 | -1.82 | -2.27 | N/A | N/A |

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.

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 1.56% and 1.24% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.56% and 1.24% for Class A and Class I shares, respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.

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.

Mutual funds are subject to market risk, including the loss of principal. Past performance is not indicative of future results.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, Inc. (TCI) member of FINRA.

TAM and ClariVest Asset Management LLC are not affiliated companies.

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