

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

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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

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.

Closed to new investors.

Macroeconomic Overview

The MSCI EAFE Small Cap index returned -0.9% in U.S. dollar terms for the third quarter of 2018. Sector returns were in a similar range apart from the top sector Energy, which returned 6.4%, and the bottom sector, consumer discretionary, which returned -3.9%. Europe was the top performing region finishing up 0.2% while the United Kingdom was the worst performing region finishing down -3.9%.

Fund Overview

Asia ex-Japan was the top contributor to relative return driven by Kerry Logistics Network Ltd. (1.81% as of 9/30/18). The company provides handling and supply chain infrastructure to businesses building operations throughout Asia. They posted strong results and displayed rapid growth in Southeast Asia and the recovering Taiwanese market. The United Kingdom was the largest detractor due to stock selection. Travel services company Thomas Cook Group Plc (0.29% as of 9/30/18) lowered full year guidance on the back of soft demand and tougher competition. Subsequently, the CFO stepped down. On a sector basis, consumer discretionary contributed most to Transamerica International Small Cap Value relative return driven by Hikari Tsushin, Inc (1.77% as of 9/30/18). The Japanese office automation equipment and telecommunication reseller delivered strong results thanks to increased recurring revenue from data terminals among others. Financial stocks also contributed to relative return with Rothschild & Co. SCA (1.99% as of 9/30/18) leading the way. The French financial advisory group released better than expected results in the quarter. Consumer staples detracted the most from Fund relative performance, driven by Coca-Cola Bottlers Japan Holdings Inc. (0.45% as of 9/30/18). Supply chain shortfalls and heavy rainfall detrimentally impacted their financial results.

Outlook

Broad global stock indexes were generally higher in the third quarter, propelled once again by healthy economic fundamentals and corporate profit growth. There is significant dispersion in returns across sectors and regions, however, as markets digest political disruption, creeping interest rates, and worries about the timing of the inevitable growth slowdown. Outside the US, many stocks offer the combination of reasonable valuation and a constructive profit outlook, suggesting that mid- to long-term returns will be attractive, even if the short run offers an uptick in uncertainty and volatility. TSW employs a disciplined, value-driven investment process and a longer investment time horizon to identify mis-priced stocks in periods where the tradeoff between downside risk and return potential becomes highly favorable.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Rothschild & Co SCA	1.81	20.46	0.36
KERRY LOGISTIC COMMON STOCK	1.47	19.64	0.31
Senex Energy Ltd ADR	0.56	47.49	0.27

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
THOMAS COOK GROUP PLC COMMON STOCK EUR.01	0.66	-46.91	-0.39
IG GROUP HOLDINGS PLC COMMON STOCK GBP.00005	1.55	-23.46	-0.37
PACT GROUP HOLDINGS LTD COMMON STOCK	1.04	-31.05	-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
Denka Co., Ltd.	2.46
Capcom Co., Ltd.	2.16
Informa PLC	2.06
Nakanishi, Inc.	2.01
Pargesa Holding SA	2.01
Rothschild & Co.	1.99
Sanwa Holdings Corp.	1.97
Kerry Logistics Network, Ltd.	1.81
Hikari Tsushin, Inc.	1.77
ASM International NV	1.76
Percentage of total portfolio	20.00

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	\$1.55 (B)
Weighted Average Market Cap	\$3.12 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr	Inception*
Class I (at NAV)	-1.50	-1.78	4.21	9.15	6.57	N/A	8.79
MSCI EAFE Small Cap Index Gross	-0.81	-1.87	4.10	12.80	8.34	N/A	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class I (at NAV)	30.47	-0.85	7.95	-6.28	N/A	N/A	N/A
MSCI EAFE Small Cap Index Gross	33.50	2.55	9.94	-4.63	N/A	N/A	N/A

Risk Characteristics

3 years

	Portfolio
Alpha	-1.23
Beta	0.80
R-Squared	88.70
Standard Deviation	9.49

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.

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 (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.

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 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.

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 Thompson, Siegel & Walmsley LLC are not affiliated companies.

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