

# Transamerica Large Value Opportunities

Class R4 TLOFX

## Investment Objective

Seeks to provide long-term capital appreciation.

## Sub-adviser

PineBridge Investments LLC (PineBridge)



## Portfolio Managers

Sheedsa Ali, CFA

Kate Faraday

## Product Profile

An enhanced index investment strategy based on company life cycles

- ➔ Quantitatively assesses the attractiveness of each company based on numerous factors relevant to its life-cycle category.
- ➔ Factors are grouped into three clusters: quality, sentiment and valuation.
- ➔ Goal is to outperform the MSCI USA Value Index and peers.

## Fund Facts

Inception Date	09/11/00
Benchmark Index	MSCI USA Value Index Gross
Morningstar Category	Large Value
Lipper Category	Multi-Cap Value
Dividend Frequency	Quarterly

**Effective August 31, 2018, PineBridge Investments LLC replaced AJO, LP as sub-adviser to Transamerica Large Value Opportunities. In connection with the change of sub-adviser, changes are also made to the principal investment strategies and primary benchmark for the Fund.**

## Macroeconomic Overview

U.S. equity index performance was largely positive as the U.S. Federal Reserve (Fed) expressed confidence in the U.S. economy, drowning out the noise from trade disputes with China which were consistently headline news as the Trump administration reiterated a hard line in trade negotiations. In July, there was scattered talk regarding tariff concessions with some U.S. trading partners but the announcement of tariffs on approximately \$200 billion worth of Chinese goods rendered other trade developments secondary. Strong index performance was driven by a relatively strong earnings season, with names like Cisco Systems, Inc., Loews Corp. (1.01% as of 9/30/18), and Target Corp. (0.15%) beating expectations. The health care and industrials sectors were the top performing sectors over the quarter, though sector performance was broadly positive, with the worst performing sectors in energy and materials relatively flat.

## Fund Overview

During the quarter, Transamerica Large Cap Value outperformed the S&P 500® Total Return Net Index benchmark by 0.23%. The strongest contributors to relative performance were in the consumer discretionary and industrials sectors. The largest detracting sector from relative performance was the information technology sector. The mature defensive categorization was the top performing growth category exhibiting strong stock selection while the mature cyclical categorization were the worst performing. In terms of the factor performance, there was some reversion within the valuation cluster which has been a significant detractor over the year from model performance. Model performance improved with this reversion while the sentiment cluster also continued to outperform over the quarter.

## Outlook

Though U.S. indices have largely shrugged off the trade concerns due to strength in economic conditions, there are signs that the market may have some concern regarding the pace of rate increases as the Fed's hawkish language has caused some trepidation. Investors will need to adjust from the particularly accommodative period of Fed policy that has persisted over recent years. While the U.S. equity market has not significantly pulled back year to date, PineBridge continues to monitor the potential headwinds, particularly with trade and changing Fed policy, as we come into the final quarter of 2018. U.S. equities remain relatively attractive and PineBridge would expect this to remain the case as long as the U.S. economy continues to exhibit the robust strength that has given the Fed the necessary evidence to continue its path of rate normalization over the course of 2018 and into 2019, though this may change should there be more concrete retaliation from China given the stance the U.S. has taken on trade.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Pfizer, Inc.	2.62	22.51	0.57
Johnson & Johnson	2.99	14.63	0.45
Merck & Co., Inc.	1.58	17.67	0.27

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Lear Corp.	0.74	-21.64	-0.19
SunTrust Banks, Inc.	0.33	-10.29	-0.14
US Foods Holding Corp.	0.58	-14.86	-0.14

\*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.**

# Transamerica Large Value Opportunities

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### Top 10 Holdings

	% of Holdings
JPMorgan Chase & Co.	3.98
Bank of America Corp.	3.14
Chevron Corp.	2.77
Amgen, Inc.	2.08
International Business Machines Corp.	2.06
Philip Morris International, Inc.	1.98
Johnson & Johnson	1.94
Cisco Systems, Inc.	1.89
Altria Group, Inc.	1.84
Exxon Mobil Corp.	1.83
Percentage of total portfolio	23.51

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>\$37.59 (B)</b>
Weighted Average Market Cap	<b>\$138.50 (B)</b>

**B** = Billions

### Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class R4 (at NAV)	6.07	4.45	11.98	11.44	9.65	8.96	5.90
MSCI USA Value Index Gross	6.16	3.78	9.62	14.27	11.14	9.93	–

\*Average Annual Total Return

### Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class R4 (at NAV)	15.28	9.14	-0.69	9.54	37.74	17.08	2.02
MSCI USA Value Index Gross	13.66	17.34	-3.83	13.45	32.53	17.51	0.39

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 fund is newly organized. The fund acquired the assets and assumed the liabilities of three Transamerica Partners funds, including Transamerica Partners Institutional Large Value (the “predecessor fund”), on May 5, 2017, and the predecessor fund is the accounting and performance survivor of the reorganizations. This means that the predecessor fund’s financial and performance history became the financial and performance history of the fund. In the reorganization of the predecessor fund, shareholders of the predecessor fund received Class R4 shares of the fund. The performance of Class R4 shares includes the performance of the predecessor fund prior to the reorganization, and has not been restated to reflect the estimated annual operating expenses of Class R4 shares. Please read the prospectus for more information.**

**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 R4 shares. Class R shares are available only to eligible retirement plans.**

**The gross expense ratio for this fund is 0.81% for Class R4 shares. The net expense ratio for this fund is 0.75% for Class R4 shares. Contractual arrangements (if applicable) have been made with the fund’s investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.**

The MSCI USA 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.

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.

Shares may be sold (or “redeemed”) on any day the New York Stock Exchange is open for business. Proceeds from the redemption of shares will usually be sent to the redeeming shareholder within three business days after receipt in good order of a request for redemption. However, Transamerica Funds has the right to take up to seven days to pay redemption proceeds, and may postpone payment under certain circumstances, as authorized by law.

**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](http://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 PineBridge Investments LLC are not affiliated companies.

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