

# TRANSAMERICA INTERNATIONAL SMALL CAP VALUE

I | TISVX | 01/04/2013

## INVESTMENT OBJECTIVE

The fund seeks maximum long-term total return.

## KEY FACTS

**Investment Manager** Transamerica Asset Management, Inc. (TAM)

**Morningstar Category** Foreign Small/Mid Value

**Lipper Category** International Small/Mid-Cap Core

**Dividend Frequency** Annually

**Primary Benchmark** MSCI EAFE Small Cap Index Gross

## SUB-ADVISER

**T | S | W**

Thompson, Siegel & Walmsley LLC (TSW)

## PORTFOLIO MANAGERS

Brandon H. Harrell, CFA  
Stedman D. Oakey, CFA

## MACROECONOMIC OVERVIEW

The MSCI EAFE Small Cap Index returned 10.76% in U.S. dollar terms for the first quarter of 2019. All sectors and regions were up for the quarter. The best performing sectors were energy, returning 19.4%, and information technology, returning 19.0%. The worst performing sector was financials which returned 5.9%. The United Kingdom was the top performing region ending the quarter up 14.7% while Japan was the worst performing region finishing up 7.1%.

## FUND OVERVIEW

The United Kingdom was a top contributor to relative return driven by global real estate services company Savills PLC. The company's results displayed revenue and earnings growth across all geographies. Europe was the largest detractor from Transamerica International Small Cap Value's relative return. French financial advisory group Rothschild & Co. (1.75% as of 3/31/19) reported a very strong set of results. The company met or exceeded all five of its financial targets, however shares did not appreciate in kind. On a sector basis, real estate was a top contributor to portfolio relative return in the quarter. As mentioned previously, global real estate services company Savills PLC reported robust full year results across all geographies. The industrials sector was the largest detractor from fund relative return. New Zealand's largest airline operator, Air New Zealand, Ltd. (1.57%) underperformed as lower demand growth and a significant increase in fuel costs for the first half of the year negatively impacted earnings. Management adjusted its plan in response to these developments by slowing capacity growth, implementing cost saving initiatives, and deferring fleet purchases.

## OUTLOOK

Global stock markets produced remarkable performance in the first quarter of 2019, abruptly reversing the indiscriminate sell-off from the final weeks of 2018. TSW believes equity market participants are struggling to gauge the strength and duration of the global economic expansion and to understand the implications of political developments like Brexit and the U.S.-China trade dispute, leading to swings in market direction and leadership. Non-U.S. equities are reasonably valued, suggesting a good medium-to-long-term return outlook, but valuation has been a poor indicator of performance in recent months. While these circumstances have produced underperformance over the last six months, TSW remains confident in their disciplined investment process and is optimistic about the composition of client portfolios.

**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 decision**

# TRANSAMERICA INTERNATIONAL SMALL CAP VALUE

as of 03/31/2019

## AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class I (at NAV)	7.47	7.47	-10.58	5.38	3.16	-	6.56
MSCI EAFE Small Cap Index Gross	10.76	10.76	-9.01	7.90	4.84	-	-

The data shown 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](http://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. Performance for other share classes will vary.

## FEES (%)

Gross Expense Ratio	1.12
Net Expense Ratio	1.12

There are no sales charges for 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 minimum investment for Class I shares is \$1,000,000 per fund account, but will be waived for certain investors.

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. Contractual arrangements, if any, have been made with Transamerica Asset Management, Inc. through 03/01/2020.

## CONTRIBUTORS & DETRACTORS (%)

Leading contributors	Contribution	Weight	Return
Savills PLC	0.77	2.01	39.74
Informa PLC ADR	0.59	3.05	21.14
ASM INTERNATIONAL NV COMMON STOCK EUR.04	0.58	2.08	30.63
Leading detractors	Contribution	Weight	Return
Swissquote Group Holding SA	-0.23	0.85	-20.48
Welcia Holdings Co Ltd	-0.24	0.77	-24.57
AIR NEW ZEALAND LTD COMMON STOCK NPV	-0.34	1.73	-16.91

Source: Morningstar Direct

## TOP 10 HOLDINGS (%)

Informa PLC	3.12
Pargesa Holding SA	2.39
Denka Co., Ltd.	2.36
Kerry Logistics Network, Ltd.	2.31
ASM International NV	2.30
Capcom Co., Ltd.	2.26
Sanwa Holdings Corp.	2.10
Savills PLC	2.00
Nakanishi, Inc.	1.85
Cia de Distribucion Integral Logista Holdings SA	1.77
<b>Total</b>	<b>22.46</b>

Holdings are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities).

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.

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 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.**

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