

TRANSAMERICA INTERNATIONAL STOCK

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INVESTMENT OBJECTIVE

The fund seeks capital appreciation.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Foreign Large Value
Lipper Category	International Multi-Cap Core
Primary Benchmark	MSCI EAFE Index

SUB-ADVISER



ClariVest Asset Management LLC (ClariVest)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

The first quarter brought with it a wave of optimism, with equities rallying (or climbing a wall of worry?) across the globe. In some ways, the weakness in the fourth quarter of 2018 set the stage for the recovery this quarter. The U.S. Federal Reserve (Fed) reacted to the market weakness and softer global growth by reversing course on future rate changes. Much of the rally this quarter was built on market expectations that the Fed now won't raise interest rates again at any point in the short term. In fact, the Fed's potential next move might be a rate cut. The sharp decline in the U.S. stock market late last year likely played a role, too, in deterring the Trump administration from further increasing tariffs on China. So, in part, the stock market decline last year helped to alleviate two of the primary risks that had caused it in the first place. Britain's politicians still haven't made any progress in completing a Brexit deal. In a quarter full of drama, endless negotiations yielded little in terms of a clear path forward. While the legal April 12th deadline remains a risk, there is little political appetite on either side for a no-deal Brexit, and Parliament seems to be moving toward a softer Brexit that may require additional extensions.

FUND OVERVIEW

Transamerica International Stock underperformed its MSCI EAFE benchmark over the first quarter of 2019. Stock selection contributed to performance, while sector allocation detracted. Stock selection was weakest within industrials and materials, and strongest within financials and health care. An overweight to information technology and an underweight to communication services contributed to performance while underweights to materials and real estate detracted from performance. Regarding countries, stock selection was strongest within the U.K. and Switzerland, and weakest within the Netherlands and Norway. An overweight to Switzerland and an underweight to Germany helped performance while underweights to Hong Kong and Australia detracted from performance.

OUTLOOK

Stock investors have been on a wild ride the past six months: markets have gone from record highs, to being on the cusp of a bear market, to returning close to recent peaks. This has left some investors feeling defensive as valuations appear stretched by some metrics. Conversely, many also worry about missing the next leg up in the now decade-long bull market. Based on the first-quarter rally, the fourth-quarter dip in stocks did little to dent investor confidence. However, continued policy uncertainty creates a difficult environment for active management. Given an inverted yield curve, trade uncertainty, Brexit, and slowing economic growth, ClariVest believe investors need to remain disciplined and diversified and, as always, continue to avoid trying to time the volatile markets.

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 STOCK

as of 03/31/2019

ASSET ALLOCATION (%)

International Equity	93.57	International Equity Funds	1.52
Net Other Assets (Liabilities)	4.91		

U.S. allocations may include U.S. territories and possessions. The Net Other Assets (Liabilities) category may include, but is not limited to, repurchase agreements, reverse repurchase agreements, security lending collateral, forward foreign currency contracts, and cash collateral.

FEES (%)

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Gross Expense Ratio	14.63	14.47
Net Expense Ratio	1.28	1.03

The Max Sales Charge for Class A shares is 5.50%. 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.

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	9.96	9.96	-	-	-	-	-7.19
Class I (at NAV)	10.08	10.08	-	-	-	-	-7.09
Class A (at POP)	3.92	3.92	-	-	-	-	-7.19
MSCI EAFE Index	10.13	10.13	-3.22	7.80	2.81	9.47	-

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 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. Performance for other share classes will vary.

TOP 10 HOLDINGS (%)

Nestle SA	2.97
Novartis AG	2.87
Roche Holding AG	2.61
ITOCHU Corp.	2.40
Allianz SE	2.33
Marubeni Corp.	2.13
Enel SpA	2.02
Nippon Telegraph & Telephone Corp.	1.81
GlaxoSmithKline PLC	1.81
NN Group NV	1.75
Total	22.70

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 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. Growth stocks may be particularly susceptible to larger price swings or to adverse developments. The prices of securities the subadviser believes are undervalued may not appreciate as anticipated or may go down. Investments in global/international markets involve risks not associated with U.S. markets, such as currency fluctuations, adverse social and political developments, and the relatively small size and lesser liquidity of the markets. 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 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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