

TRANSAMERICA EMERGING MARKETS EQUITY

A | AEMTX | 04/30/2012 C | CEMTX | 04/30/2012 I | IEMTX | 04/30/2012

INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Diversified Emerging Mkts
Lipper Category	Emerging Markets
Dividend Frequency	Annually
Primary Benchmark	MSCI Emerging Markets 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. In an interesting contrast, Chinese equities rallied sharply following the release of the Morgan Stanley Capital International (MSCI) decision to increase their weight in the Emerging Markets Index, while China lowered its growth target from 6.5% to a range of 6.0-6.5%, the slowest pace of economic growth in almost 30 years. Chinese authorities are now stimulating their economy with a package of tax cuts, infrastructure investment, and support for bank credit growth, hoping to avoid a sharper downturn in the face of a potentially prolonged trade war and significant debt concerns. Investors will be watching closely for signs that these measures are having the desired effect.

FUND OVERVIEW

Transamerica Emerging Markets Equity underperformed its MSCI EM benchmark over the first quarter of 2019. Stock selection hindered performance, more than sector allocation which was also negative. Stock selection was weakest within financials and information technology, and strongest with consumer discretionary and health care. An underweight to consumer staples and an overweight to information technology contributed to performance while an underweight to consumer discretionary and an overweight to materials detracted from performance. Regarding countries, stock selection was strongest within Taiwan and Brazil, and weakest within China and Korea. Underweights to Qatar and Malaysia helped performance while overweights to India and Turkey 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 believes 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 EMERGING MARKETS EQUITY

as of 03/31/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	8.22	8.22	-14.93	7.62	1.19	-	0.69
Class I (at NAV)	8.32	8.32	-14.51	8.08	1.57	-	1.06
Class A (at POP)	2.28	2.28	-19.63	5.62	0.05	-	-0.13
MSCI Emerging Markets Index	9.97	9.97	-7.06	11.09	4.06	-	-

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.

FEES (%)

	A	C	I
Gross Expense Ratio	1.53	2.23	1.20
Net Expense Ratio	1.53	2.23	1.20

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.

CONTRIBUTORS & DETRACTORS (%)

Leading contributors	Contribution	Weight	Return
Alibaba Group Holding Ltd ADR	0.91	3.14	33.11
Tencent Holdings Ltd	0.61	4.24	14.67
ANTA SPORTS PRODUCTS LTD COMMON STOCK HKD.1	0.57	1.43	41.86

Leading detractors	Contribution	Weight	Return
Turk Hava Yollari AO	-0.13	0.44	-24.49
KB FINANCIAL GROUP INC COMMON STOCK KRW5000.	-0.16	1.27	-11.62
MAHINDRA + MAHINDRA LTD COMMON STOCK INR5.	-0.18	0.33	-22.59

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Tencent Holdings, Ltd.	4.23
Alibaba Group Holding, Ltd., ADR	3.52
Samsung Electronics Co., Ltd.	3.33
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	3.15
Naspers, Ltd., N Shares	2.33
ANTA Sports Products, Ltd.	1.76
China Construction Bank Corp., H Shares	1.75
Infosys, Ltd., ADR	1.70
Tata Consultancy Services, Ltd.	1.64
China Mobile, Ltd.	1.64
Total	25.05

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

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. 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.

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 (ClariVest) are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

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