

TRANSAMERICA GLOBAL EQUITY

A | IMNAX | 03/01/2006 **C** | IMNCX | 03/01/2006 **I** | TMUIX | 11/30/2009

INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation.

KEY FACTS

Investment Manager Transamerica Asset Management, Inc. (TAM)

Morningstar Category World Large Stock

Lipper Category Global Multi-Cap Core

Dividend Frequency Annually

Primary Benchmark MSCI All Country World Index Net

Secondary Benchmark MSCI World Index ex-U.S.

SUB-ADVISER

ROCKEFELLER
CAPITAL MANAGEMENT

Rockefeller & Co., Inc. (Rockefeller)

PORTFOLIO MANAGERS

Jimmy C. Chang, CFA
David P. Harris, CFA

MACROECONOMIC OVERVIEW

During the second quarter of 2019, global equities continued to rally, but the monthly swing was quite pronounced. The MSCI ACWI Index (Gross) returned 3.85% for the quarter, but it experienced a significant monthly drawdown during May, followed by a strong rally in June. The U.S. market once again outperformed non-U.S. markets, with the S&P 500® Index gaining 4.3% vs. the MSCI ACWI ex-U.S.A's 3.18% return. The key developments during the quarter were:

1. Rising policy uncertainty as the Sino-U.S. trade negotiation hit a snag and the U.S. expanded the trade war to a potential tech war.
2. Synchronized dovish pivot among major central banks, with rising expectation of imminent Fed rate cuts.
3. Continued loss of momentum in the global manufacturing PMI, especially outside the U.S.

These developments led to a collapse in sovereign bond yields as the 10-year U.S. Treasury yield dropped from 2.41% at the end of the first quarter to around 2% by the end of the second quarter. The 10-year German Bund yield hit a record low of negative 0.40% in early July.

FUND OVERVIEW

Transamerica Global Equity was slightly ahead of the benchmark during the second quarter of 2019. The degree of outperformance should have been wider if not for a number of idiosyncratic issues related to changing government policies during the quarter. However, Rockefeller believes many of these issues are temporary in nature and remain confident in the portfolio's positioning. On a sector basis, the biggest contributor was information technology, with TE Connectivity (1.13% as of 6/30/19) and Visa, Inc. gaining 19% and 11%, respectively. TE Connectivity, an addition made during the first quarter of 2019, reported better-than-expected results. Visa, Inc. continued to be favored by a market that pays a growing premium for stable growth. The utilities and financial services were the largest detractors during the quarter. Kansai Electric Power Co., Inc. dropped 22% during the quarter as Japan's nuclear regulator surprised investors and the industry with its refusal to grant extensions to the deadlines for the country's nuclear power plants to install anti-terrorism safety features. In the financial services sectors, banks were being hurt by the collapsing sovereign bond yields, which Rockefeller believes to be overdone. During the quarter, the fund initiated two new positions: Lamb Weston (0.92%) and Deere & Company (1.04%). Lamb Weston is a provider of value-added frozen potato products. Deere & Company is a leading provider of equipment used in both agriculture and construction. During the quarter, the fund exited Alcon (0.00%), Apple Inc. (0.00%), Korea Electric Power Corp. (0.00%), and Synchro (0.00%) to fund these new purchases.

OUTLOOK

Rockefeller has a neutral view for the equity market due to two opposing forces: synchronized dovishness and easing around the world should help raise valuations, but weakening fundamentals are likely to lower earnings expectations. Rockefeller suspects it would result in a range-bound market for the remainder of 2019. Rockefeller also adjusted our view on the potential outcome of the Sino-U.S. trade negotiation. Rockefeller now believes the odds of a deal being made in 2019 have declined materially, as Trump may stretch out the trade issue for political gain leading up to the November 2020 election. This may be why he has agreed, for now, not to impose tariffs on the \$300 billion of Chinese exports to the U.S. Rockefeller believes markets may have been too aggressive in calibrating the size of the potential rate cuts. Rockefeller's base case remains that the U.S. economy is slowing down to trend rather than slipping into a recession. Rockefeller also believes the Chinese government will inject additional stimulus to reflate the economy. As such, sovereign bond yields may start to move higher, which could potentially benefit some of the cyclical sectors that have been laggards so far in 2019.

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 GLOBAL EQUITY

as of 06/30/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	3.75	13.99	3.48	11.24	5.09	8.06	4.28
Class I (at NAV)	3.82	14.14	3.77	11.51	5.37	-	6.68
Class A (at POP)	-1.95	7.72	-2.19	9.17	3.90	7.44	3.84
MSCI All Country World Index Net	3.61	16.23	5.74	11.62	6.16	10.15	-
MSCI World Index ex-U.S.	4.07	15.11	1.84	9.58	2.55	7.27	-

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	1.45	2.18	1.12
Net Expense Ratio	1.35	2.10	1.10

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
Facebook Inc A	0.63	3.89	15.78
Cerner Corp	0.42	1.74	28.45
SONY CORP COMMON STOCK	0.35	1.77	21.65
Leading Detractors	Contribution	Weight	Return
Alphabet Inc Class C	-0.28	3.83	-7.88
LLOYDS BANKING GROUP PLC COMMON STOCK GBP:1	-0.30	2.01	-13.21
KANSAI ELECTRIC POWER CO INC COMMON STOCK	-0.33	1.09	-23.54

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Facebook, Inc., Class A	4.36
Alphabet, Inc., Class C	3.66
Amazon.com, Inc.	3.29
Comcast Corp., Class A	3.17
Royal Caribbean Cruises, Ltd.	3.01
JPMorgan Chase & Co.	2.66
Microsoft Corp.	2.66
Southwest Airlines Co.	2.64
TOTAL SA	2.51
Visa, Inc., Class A	2.47
Total	30.43

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

The MSCI All Country World Index Net is an unmanaged index used as a general measure of global equity market performance. MSCI World Index ex-U.S. measures the performance of stock markets in 22 countries outside of the U.S. 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. 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. Investments in developing markets involve greater risks than investments in developed 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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