

TRANSAMERICA MID CAP VALUE OPPORTUNITIES

A | MCVAX | 04/30/2014 C | MCVCX | 04/30/2014 I | MVTIX | 04/30/2014

INVESTMENT OBJECTIVE

The fund seeks to provide investors with longterm capital growth.

KEY FACTS

Investment Manager Transamerica Asset Management, Inc. (TAM)

Morningstar Category Mid-Cap Value

Lipper Category Mid-Cap Value

Dividend Frequency Annually

Primary Benchmark Russell Midcap® Value Index

SUB-ADVISER



Thompson, Siegel & Walmsley LLC (TSW)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

The market experienced a significant bounce back from December, with all domestic equity indices posting impressive double-digit returns for the quarter. There was a clear sign of the January effect taking place, as the December sell-off appeared to be more pronounced due to tax loss harvesting and industry redemptions which reversed in the beginning of the year. While January was more about a bounce back, February and March appeared to be an environment where lower quality names and stocks trading at higher valuation multiples outperformed. From a style perspective, mid-caps and growth stocks performed best. While macro noise continues to present an overhang on the market, the more dovish posture from the U.S. Federal Reserve (Fed) has arguably helped support risk markets.

FUND OVERVIEW

Transamerica Mid Cap Value Opportunities finished the quarter below the benchmark. The fund had a great start to the year through early February, benefiting from a generally positive environment and a reversal from stocks being unduly punished in December as the January effect appeared to take hold. The rest of the quarter posed a more challenging stylistic headwind as valuation did not appear to matter and lower quality stocks outperformed. Despite this headwind, the fund was able to keep pace with the benchmark in a strong bull quarter where the Russell Midcap Value index returned 14.37%. From a sector standpoint, the fund benefited most from consumer discretionary, consumer staples, and technology, all driven by positive stock selection. For detractors, their lower beta oil exposure impacted them the most within the energy sector. In financial services, insurance names posed a modest headwind, while in producer durables the fund's position in Alaska Air Group, Inc. (1.82% as of 3/31/19) was a detractor as oil prices spiked.

OUTLOOK

Investors have appeared to shrug off ongoing headwinds such as uncertainty around trade negotiations, continued mixed results in forward leading indicators and the potential for an inverted yield curve. This is all within the context of an already expensive market as TSW sits in year 10 of what is considered by many measures to be the longest bull market in history. This backdrop leads TSW to believe investor expectations are high which increases the potential for disappointment and further market volatility. As always, TSW will maintain its disciplined approach to value investing and buy/sell stocks opportunistically whichever way the market swings.

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 MID CAP VALUE OPPORTUNITIES

as of 03/31/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	13.80	13.80	5.94	7.87	-	-	8.44
Class I (at NAV)	13.95	13.95	6.21	8.15	-	-	8.72
Class A (at POP)	7.54	7.54	0.14	5.86	-	-	7.21
Russell Midcap® Value Index	14.37	14.37	2.89	9.50	7.22	16.39	-

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	1.25	1.88	0.85
Net Expense Ratio	1.20	1.88	0.85

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
Coty Inc Class A	0.67	0.90	77.29
CIT Group Inc	0.56	2.13	26.00
General Mills Inc	0.54	1.62	34.51
Leading detractors	Contribution	Weight	Return
Aramark	-0.12	0.69	-10.00
Uniti Group Inc	-0.15	0.63	-27.81
PG&E Corp	-0.32	0.49	-23.33

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Molson Coors Brewing Co., Class B	2.48
Annaly Capital Management, Inc., REIT	2.22
Laboratory Corp. of America Holdings	2.19
PPL Corp.	2.16
FirstEnergy Corp.	2.10
Alleghany Corp.	2.05
Leidos Holdings, Inc.	2.04
CDK Global, Inc.	1.99
Aramark	1.97
Viacom, Inc., Class B	1.94
Total	21.14

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

The Russell Midcap® 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. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell indexes. Russell® is a trademark of Russell Investment Group.

Investing in mid-sized companies involves greater risk than is customarily associated with more established companies. The securities of mid-sized companies are subject to higher volatility than larger, more established companies. The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down. Value approach 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.

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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