

CASE STUDY: TRANSAMERICA INTERNATIONAL EQUITY

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TRANSAMERICA[®]
Insurance / Investments / Retirement

CLASS I: TSWIX
AS OF 12/31/2021



Overall Morningstar™ Rating (out of 324 funds)

INVESTMENT TEAM



Thompson, Siegel & Walmsley LLC (TSW) has been a sub-adviser for Transamerica International Equity since March 2011. TSW's International team is led by Brandon H. Harrell, CFA®. He is supported by dedicated team members Stedman Oakey, Brendan Donohoe, Dan Hinchman, Mark Tyler, Elliott Jones, and Will Halladay. When appropriate, the U.S. equity and fixed income research/portfolio management teams at the firm provide additional research support.

INVESTMENT PROCESS



TSW utilizes a proprietary four-factor screen to narrow the large universe of international stocks with market capitalizations above \$1 billion to approximately 350 companies that are inexpensive on a cash flow basis and showing evidence of positive change. Fundamental analysis is then used to build a diversified portfolio of approximately 80-110 stocks from across the economic sectors of the MSCI EAFE Index. The process also employs rigorous risk controls and a sell discipline.

PERFORMANCE



Since the market low on March 24, 2020, through the end of 2021, the fund outperformed the MSCI EAFE Index cumulatively, 89.08% versus 81.09%, and the MSCI EAFE Value Index, which returned 76.77%, as well as its Morningstar Foreign Large Value category average return of 80.83%. Patience was rewarded, as many of the fund's notable contributors were those that were top detractors in the March 2020 sell-off (such as owning mid-cap companies, European-domiciled stocks, and generally positions viewed as cyclical without regard for company specific fundamentals). The fund is not positioned for any particular outcome regarding COVID-19. On the margin, profit-taking has generally taken place among the group of cyclical stocks in favor of less cyclical companies that have generally appeared overlooked by risk-seeking investors.

International stocks are attractive generally relative to U.S. stocks, which significantly outperformed over the past decade. The MSCI EAFE Index has traded at a significant discount to the S&P 500® on price/cash flow multiples. While the S&P 500 is dominated by information technology and communication services, the benchmark has greater cyclical exposures, which has proven beneficial during the recovery period. Unlike other value-oriented peers, the fund is underweighted many of the traditional deep-value areas of the market and is not dependent on those rebounding to outperform.

Some of the fund's diverse holdings include:

CNH Industrial (0.33% position): CNH designs and sells agricultural equipment and commercial vehicles, along with powertrains for industrial and marine applications. The company is planning to split into two companies through a spinoff of its On Highway business (commercial vehicles & powertrain) in January 2022. TSW believes the company is undervalued, and the spinoff will unlock value for shareholders.

GlaxoSmithKline (0.94%): Glaxo is a U.K.-based healthcare company primarily focused on the research and development of pharmaceuticals. It also has market-leading vaccine and consumer health businesses. The company plans to spin off its stake in the consumer health business, which TSW believes will highlight the attractive valuation of its world-class vaccine business.

Nokia (1.05%): A leading provider of telecommunications equipment, Nokia has struggled over the past decade. The equity value has reflected investor pessimism. TSW believes Nokia is emerging from many of its historical issues. The company completed its integration of Alcatel Lucent and installed a new CEO, CFO, and board chairman, along with adding several new business unit heads.

MORNINGSTAR CATEGORY: Foreign Large Value (as of 12/31/2021)

PERFORMANCE		Q4 2021		1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I (at NAV)	4.32	15	13.17	33	13.54	10	8.57	10	8.43	5	
Peer Group Median	2.40	-	11.79	-	10.60	-	6.67	-	6.20	-	
MSCI EAFE Index	2.74	39	11.78	50	14.08	5	10.07	2	8.53	3	
UP CAPTURE RATIO		Q4 2021		1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I	116.73	20	109.95	47	109.02	22	104.16	31	101.29	25	
Peer Group Median	101.80	-	108.98	-	102.40	-	99.27	-	98.35	-	
DOWN CAPTURE RATIO		Q4 2021		1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I	93.70	73	108.15	63	118.01	57	115.36	59	102.56	75	
Peer Group Median	114.75	-	120.31	-	120.15	-	117.97	-	110.39	-	
MAX DRAWDOWN ^{1,3}		Q4 2021		1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I	-4.35	27	-5.44	24	-27.11	47	-29.31	33	-29.31	30	
Peer Group Median	-5.33	-	-7.41	-	-27.35	-	-32.30	-	-32.60	-	
MSCI EAFE Index	-4.64	32	-5.04	16	-22.72	13	-22.72	8	-22.72	6	
STANDARD DEVIATION ^{1,2}				1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I			10.94	79	19.77	50	16.79	51	14.87	59	
Peer Group Median			12.04	-	19.77	-	16.80	-	15.24	-	
MSCI EAFE Index			9.82	94	17.13	85	14.82	87	14.12	82	
SHARPE RATIO ^{1,4}				1 YEAR		3 YEARS		5 YEARS		10 YEARS	
Description	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	Statistic	Rank	
Transamerica International Equity Class I			1.18	22	0.70	19	0.51	15	0.58	6	
Peer Group Median			1.00	-	0.56	-	0.40		0.42	-	
MSCI EAFE Index			1.18	23	0.81	3	0.65	2	0.61	3	

Source: Morningstar Direct

Inception Date: for Class I share 12/18/1992

Any performance/data that is over a 12-month period is annualized.

Morningstar Percentile Rankings are the fund's total return rank relative to all the funds in the same Morningstar category, where 1 is the highest percentile rank and 100 is the lowest percentile rank.

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.

Expense ratio: 0.86% gross and net for Class I share

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.

¹ Please note that all data is calculated net of management expenses for Transamerica International Equity I and the Peer Group Median.

² Risk is measured using standard deviation, which is a statistical measure of the average deviations of historical monthly returns from the mean of the data set. It is often used as a measure of risk, as a larger standard deviation implies larger variability in the returns.

³ Risk is measured using Maximum Drawdown, which is a measure of the maximum of the peak-to-trough decline during a specific period. Going sequentially through time with a portfolio's cumulative return, it is the "loss" from the highest to lowest portfolio value.

⁴ Risk-adjusted returns are measured using the Sharpe Ratio, which is a measure of the excess return (return over cash) per unit of risk (standard deviation) in an investment strategy.

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 COVID-19 pandemic has caused substantial market disruption and dislocation around the world including the U.S. During periods of market disruption, which may trigger trading halts, the fund's exposure to the risks described elsewhere in the prospectus will likely increase. As a result, whether or not the fund invests in securities of issuers located in or with significant exposure to the countries directly affected, the value and liquidity of the fund's investments may be negatively affected.

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 prices of securities the sub-adviser 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, lower market volumes, and lesser liquidity of the markets.

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Class I share received a Morningstar Rating™ of 4 stars for the three-year period (out of 324), 4 stars for the five-year period (out of 284), and 5 stars for the 10-year period (out of 179) in the Foreign Large Value category. Morningstar Rating™ is based on a risk-adjusted return measure.

Mutual funds are subject to market risk, including the 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 visit 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 TSW are not affiliated companies.

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Contact us.

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