

Transamerica International Sustainable Equity

A | TISDX | 03/31/2023

Investment objective

The fund seeks long-term capital appreciation.

Key Facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Lipper Category

International Large-Cap Growth

Dividend Frequency

Annually

Benchmark

MSCI All Country World ex-U.S. Index

SUB-ADVISER

CALAMOS[®]
INVESTMENTS

Calamos Advisors LLC (Calamos Advisors)

PORTFOLIO MANAGERS

James Madden, CFA

Anthony Tursich, CFA

Beth Williamson

MACROECONOMIC OVERVIEW

The dominant theme was the effect of U.S. trade policy on global markets. Tariff announcements in early April initially spooked markets globally, but investors became increasingly conditioned to extreme tariff threats as negotiating tactics. Mid-Year Outlook: International Stocks and Economy. The average effective tariff rate reached more than 15%, the highest since the late 1930s. The first half of 2025 became a case study on why investors should consider international diversification, with uncertain U.S. policy and lagging U.S. stock performance prompting investors to look overseas. The MSCI EAFE Index outperformed the S&P 500® Index in 2025. A critical factor was the divergence in earnings revisions. The number of companies in the S&P 500® Index with downward earnings revisions rose to levels comparable to the Global Financial Crisis and COVID-19 pandemic, yet for non-U.S. developed-market companies, revisions remained within normal ranges.

FUND OVERVIEW

The Transamerica International Sustainable Equity Fund outperformed the MSCI All Country World ex-U.S. Index. Performance was solid despite Momentum continuing to outperform Quality in most overseas markets. The ACWI ex US Momentum Index outperformed the broader ACWI ex US by around 3.60%, while the ACWI ex US Quality Index underperformed by around 1.70%. Good stock selection across all regions led to outperformance while currency was a headwind. Both Developed and Emerging Markets contributed to outperformance with Taiwan Semiconductor (4.75% as of 6/30/2025) leading the way. Sector-wise, 7 of the 11 economic sectors contributed positively. Consumer Discretionary and Consumer Staples were the biggest winners with Communication Services and Health Care lagging. On a security level, Taiwan Semi, Shinhan Financial (1.50%), Banorte (1.46%), HDFC Bank (2.70%) and Hitachi (2.20%) were the largest contributors. BYD (2.58%), Sysmex, Waste Connections (1.39%), Accenture (1.09%) and ASML (0.86%) were the largest detractors. Portfolio characteristics remain strong with estimated Return on Equity (ROE) 11% above benchmark, margins 10% above and Free Cash Flow (FCF) yield 20% above. Trading was light with Waste Connections the only new purchase and Sysmex the lone divestment.

OUTLOOK

International Equities seem to be at a structural inflection point. After over a decade of U.S. market dominance driven by technology giants and sustained monetary stimulus, structural shifts are finally reorienting the global investment landscape. The tide may be turning toward international equities, particularly in Europe and Japan, where policy pivots, compelling valuations, and emerging secular trends offer intriguing opportunities for discerning investors. Decades of experience support our conviction in the value of diversification. Diversification seeks to mitigate unsystematic risk and can lead to better opportunities and more consistent, higher risk-adjusted returns. Accordingly, Calamos Advisors has positioned the portfolio to participate not only in technology growth (including in the AI ecosystem) but also in a breadth of innovation, including more idiosyncratic opportunities.

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.

Average annual total returns and expense ratios (%)

	3M	YTD	1 YR	3 YRS	5 YRS	10 YRS	Inception	Gross	Net
Class A (at NAV)	12.69	16.41	15.38	-	-	-	9.78	2.36	1.10
Class A (at POP)	6.48	10.00	9.06	-	-	-	7.06	2.36	1.10
MSCI All Country World ex-U.S. Index	12.03	17.90	17.72	-	-	-	-	-	-

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.

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

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 3/1/2026.

Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.47	4.18	36.92
HITACHI LTD COMMON STOCK	0.60	2.12	25.89
AIA GROUP LTD COMMON STOCK USD1.	0.54	2.44	22.02
Leading Detractors	Contribution	Weight	Return
Waste Connections Inc	-0.08	0.55	-4.95
SYSTEMS CORP COMMON STOCK	-0.11	0.62	-10.54
BYD CO LTD H COMMON STOCK CNY1.0	-2.44	3.01	-69.25

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*Average portfolio weight for each security during the course of the quarter, calculated using daily holdings.

**The return for each security corresponds to the portion of the quarter when the fund held the security.

Top 10 holdings (%)

Taiwan Semiconductor Manufacturing Co. Ltd.	4.75
HDHC Bank Ltd.	2.70
Sony Group Corp.	2.70
AIA Group Ltd.	2.58
BYD Co. Ltd., H Shares	2.58
SAP SE	2.23
Hitachi Ltd.	2.20
Kerry Group PLC, Class A	1.98
Aviva PLC	1.94
Hong Kong Exchanges & Clearing Ltd.	1.87
Total	25.53

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 ex-U.S. 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. 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. Applying the sub-adviser's ESG criteria to its investment analysis for the fund may impact the sub-adviser's investment decisions as to securities of certain issuers and therefore the fund may forgo some investment opportunities available to funds that do not use ESG criteria. Securities of companies with what are defined by the sub-adviser as having favorable ESG characteristics may shift into and out of favor depending on market and economic conditions, and the fund's performance may at times be better or worse than the performance of similar funds that do not use ESG criteria or that apply different ESG criteria. ESG is not a uniformly defined characteristic and applying ESG criteria involves a subjective assessment. ESG ratings and assessments of issuers can vary across third-party data providers. These risks are described in more detail in the prospectus.

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 two 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 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, LLC, member FINRA. Transamerica Companies and Calamos are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

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