

Transamerica Small Cap Growth

Class A ASGX | Class I ISCGX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Ranger Investment Management, L.P.
(Ranger)



Portfolio Managers

W. Conrad Doenges
Andrew Hill
Joseph LeBate

Product Profile

A small-cap strategy designed to help preserve and seek growth of capital

- ➔ Invests in growing, high quality companies when they can be purchased at attractive valuations
- ➔ Investment philosophy focused on bottom-up, fundamental research
- ➔ Unique proprietary risk management process that includes real time portfolio monitoring

Fund Facts

Inception Date (A-I)	08/31/12 - 08/31/12
Benchmark Index	Russell 2000® Growth Index
Morningstar Category	Small Growth
Lipper Category	Small-Cap Growth Fund
Dividend Frequency	Annually

This material was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact your financial professional.

Macroeconomic Overview

In the second quarter, the market generated strong returns, advancing in a fashion similar to the first quarter. Ranger believes several reasons exist for the recent market strength. First, and most fundamental, is the recent acceleration in earnings growth, both at home and abroad. Second, subdued inflation expectations may also be driving equity markets higher. Recent inflation readings remain below the U.S. Federal Reserve's (Fed) 2% target. As a result, investors likely believe that the Fed will be slower to raise interest rates and reduce the size of its balance sheet. Third, U.S. investors appear to believe that new legislation is achievable on healthcare, taxes and/or infrastructure that will stimulate the overall economy. While Ranger doesn't bet on the Fed, or legislative outcomes, as part of the investment process, these factors help inform the outlook along with bottom-up research and valuation work.

Fund Overview

Ranger saw similarities to the first quarter, as healthcare outperformed and energy lagged. Investors showed an appetite for risk as evident by Ranger's factor analysis work. Factor analysis demonstrates leadership by low quality, high valuation factors. On a sector basis, the technology, healthcare and materials & processing sectors were the largest relative outperforming sectors in the portfolio. The energy and financial services sectors underperformed on a relative basis. Transamerica Small Cap Growth's energy sector underperformed primarily due to allocation effect. Ranger reduced the size of the overweight position in the energy sector, in part for risk management purposes. The financial sector's underperformance this quarter was due to the strength in real estate investment trusts. As a reminder, the financial exposure consists of investments in regional banks, most of which benefit from a rising, rather than a falling, rate environment.

Outlook

One negative effect of the recent strength in the market is that valuations are less compelling. While a fair amount of good news is priced into stocks today, Ranger believes that progress on fiscal policy would serve as a catalyst for stocks and the economy. Rangers believes higher interest rates over time should lead to higher volatility, which aligns well with the focus on quality growth companies. Low interest rates have likely allowed a higher percentage of lower quality companies to survive, and thrive, as the cost of mistakes and losing money is low when cheap capital is widely available. Non-earning companies as part of the Russell 2000® Growth index are close to an all-time peak, levels generally only experienced in recessionary environments. Should higher rates cause a reversal in this trend, it could benefit active managers generally, and active managers with a quality bias specifically.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Supernus Pharmaceuticals, Inc.	3.26	37.70	1.06
Pegasystems Inc	3.75	33.14	1.05
Medidata Solutions, Inc.	1.81	35.55	0.55

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Oasis Petroleum, Inc.	1.74	-43.55	-0.99
Inphi Corp.	1.48	-29.74	-0.47
Callon Petroleum Co.	1.49	-19.38	-0.32

*Source: Morningstar Direct

**Not insured by FDIC or any federal government agency. May lose value.
Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.**

Transamerica Small Cap Growth

Class A ASGTX | Class I ISCGX

Top 10 Holdings

	% of Holdings
Pegasystems, Inc.	4.11
PRA Health Sciences, Inc.	3.96
Supernus Pharmaceuticals, Inc.	3.29
Cantel Medical Corp.	3.13
Steven Madden, Ltd., Class B	2.90
Repligen Corp.	2.87
Calavo Growers, Inc.	2.76
Cambrex Corp.	2.61
Dorman Products, Inc.	2.60
WageWorks, Inc.	2.58
Percentage of total portfolio	30.81

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

Equity Statistics

Median Market Cap	\$1.89 (B)
Weighted Average Market Cap	\$2.46 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr	10 Yr	Inception*
Class A (at NAV)	2.66	7.19	21.16	10.43	N/A	N/A	12.06
Class A (at POP)	-2.96	1.23	14.51	8.36	N/A	N/A	10.76
Class I (at NAV)	2.74	7.47	21.51	10.77	N/A	N/A	12.38
Russell 2000® Growth Index	4.39	9.97	24.40	7.64	N/A	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	19.37	3.08	2.74	36.79	N/A	N/A	N/A
Class I (at NAV)	19.53	3.47	3.04	37.11	N/A	N/A	N/A
Russell 2000® Growth Index	11.32	-1.38	5.60	43.30	N/A	N/A	N/A

Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, qualified retirement plans, certain endowment plans and foundations and Directors, Trustees and employees of the funds' affiliates.

Risk Characteristics

3 years

	Portfolio
Alpha	4.06
Beta	0.83
R-Squared	86.20
Standard Deviation	14.33

*Risk measures are in comparison to the fund's primary benchmark unless otherwise indicated. Based on Class A shares at NAV for the 3-year period.

Alpha is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.

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 decisions.

The performance data presented 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 of 5.50%. Performance for other share classes will vary.

The gross expense ratios for this fund are 1.33% and 1.03% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.33% and 1.03% for Class A and Class I shares, respectively. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.

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.

The Russell 2000® Growth 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.

Small capitalization companies may have less experienced management, unpredictable earnings growth, and limited product lines, which can cause their share prices to fluctuate more than those of larger firms. Returns on growth stocks may not move in tandem with return on other categories of stocks or the market as a whole. Growth stocks may be particularly susceptible to larger price swings or to adverse developments. Growth stocks as a group may be out of favor and underperform the overall equity market for a long period of time, for example, while the market favors "value" stocks.

Before investing, consider the fund's investment objective, risks, charges, and expenses. Contact your financial professional or go to transamerica.com for a prospectus and/or summary prospectus with this information. Read it carefully.

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.

MQCSCG0717