

Transamerica Multi-Cap Growth

Class A ITSAX | Class I TGPIX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Alta Capital Management, LLC (Alta)



Portfolio Managers

Michael O. Tempest
Melanie H. Peche, CFA

Product Profile

A portfolio designed to generate excess return relative to the benchmark over the long term and primarily through stock selection.

- ➔ Strategy is based on bottom-up and original fundamental research.
- ➔ Alta is committed to running a concentrated portfolio (30-35) with low annualized turnover (10-35%). The equity style is best described as GARP (growth at reasonable price) or quality growth.
- ➔ Alta will consider selling a position due to valuation, change in investment thesis, and loss protection.

Fund Facts

Inception Date (A-I)	03/01/00 - 11/30/09
Benchmark Index	Russell 3000® Growth Index
Morningstar Category	Large Growth
Lipper Category	Multi-Cap Growth
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

The market was very strong in the fourth quarter, continuing its 2017 tear. The Russell 3000® Growth Index posted a strong quarterly return of 7.60%. The market action of 2017 can best be described as a remarkable, continuous climb. There was not a single market decline of more than 5% this past year. In fact, the markets were up in every single month of the year. The promise of corporate and individual tax cuts worked to buoy the market throughout the quarter, along with an earnings rebound and the ongoing global economic recovery. Consumer discretionary and industrials led the market, posting 10.45% and 9.42% return respectively, and consumer staples and information technology were also strong. Health care was the biggest laggard up only 1.15%.

Fund Overview

Transamerica Multi-Cap Growth posted a strong quarterly return, but still not enough to keep pace with the index. Consumer staples and health care were the main culprits, with the stunning showing by Celgene Corp. (2.13% as of 12/31/17) accounting for a large part of the quarter's underperformance. The firm long-term outlook was brought down a bit, putting the onus even more on its highly successful best seller and concerns over a patent cliff long term overshadowed strong intermediate term growth. Allergan PLC's (AGN) (0.00% as of 12/31/17) multiple continued to compress and we exited the position. CVS Health Corp. (CVS) struggled due to perceived Amazon threat in the pharma retail and pharmacy benefit management space. CVS's market position and complexity of dealing with a highly regulated industry are considerable barriers for even Amazon to overcome. CVS's cash generation is impressive. At about 12x earnings, the manager finds the valuation too attractive to ignore and added to the position. On the positive side, the fund kept up with a strong technology sector, up over 8%, with FleetCor Technologies, Inc. (2.90% as of 12/31/17), Apple, Inc., Alphabet, Inc. Class A among the top performers. Dollar Tree, Inc., Fastenal Co. (2.81% as of 12/31/17), Union Pacific Corp. (3.33% as of 12/31/17) and Sherwin-Williams, Co. also drove performance, thanks to a combination of the expectation of tax cut benefit and room for multiple expansion relative to much of the market.

Outlook

Alta continues to believe that the fund is well positioned for 2018. The current robust free cash flow and earnings power of the companies within the fund should continue into the New Year. The current Wall Street consensus on 2018 earnings growth for S&P 500® companies is a respectable rate of around 12%. The forecasted 2018 earnings growth for the companies in the fund is an even more robust annual rate of over 15%, yet the companies are trading at a similar price/earnings multiple to the market. While the overall outlook for U.S. equities is robust, the most alarming current trend may well be the overwhelming optimism surrounding the U.S. economy and equity markets in particular. Nearly every strategist in the securities industry is predicting that U.S. stocks will be significantly higher in 2018. This level of absolute consensus has the potential to result in unrealistic expectations and subsequently very disappointed investors. This effect will be even more pronounced in those stocks that have risen faster than their earnings and cash flow growth and that are trading at much higher than market multiples. As Warren Buffett is fond of saying, "Be fearful when others are greedy and be greedy when others are fearful."

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Dollar Tree, Inc.	4.07	23.60	0.88
Fleetcor Technologies, Inc.	2.87	24.33	0.63
Fastenal Co.	2.75	20.81	0.54

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Celgene Corp.	2.49	-28.43	-0.93
Allergan PLC	1.30	-15.97	-0.50
CVS Health Corp.	3.41	-10.26	-0.37

*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.**

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Top 10 Holdings

	% of Holdings
Apple, Inc.	5.85
Alphabet, Inc., Class A	4.91
Priceline Group, Inc.	4.88
TJX Cos., Inc.	4.56
Dollar Tree, Inc.	4.12
CVS Health Corp.	4.04
Facebook, Inc., Class A	3.40
Middleby Corp.	3.38
Sherwin-Williams Co.	3.38
Union Pacific Corp.	3.33
Percentage of total portfolio	41.85

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	\$45.26 (B)
Weighted Average Market Cap	\$149.00 (B)

B = Billions

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.

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 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 1.40% and 0.95% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.25% and 0.95% 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.

The Russell 3000® 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.

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.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.
1801 California St. Suite 5200, Denver, CO 80202
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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	5.30	22.84	22.84	0.86	7.03	3.96	2.46
Class A (at POP)	-0.48	16.14	16.14	-1.01	5.82	3.38	2.14
Class I (at NAV)	5.51	23.36	23.36	1.23	7.42	N/A	9.32
Russell 3000® Growth Index	7.61	29.59	29.59	13.51	17.16	9.93	-

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	22.84	-11.33	-5.80	-0.88	38.06	8.62	-9.68
Class I (at NAV)	23.36	-11.08	-5.42	-0.58	38.70	9.23	-9.08
Russell 3000® Growth Index	29.59	7.39	5.09	12.44	34.23	15.21	2.18

There are no sales charges on 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.