

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

Melanie H. Peche, CFA
Michael O. Tempest

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

During the first quarter, the benchmark Russell 3000® Growth was up 1.48% and Transamerica Multi Cap Growth (Fund) was down 0.56%. This belies a big shift in the market that began in early February and extended into March as volatility returned in dramatic fashion. Year to date there have been 12 bigger than 2% moves (up or down) in the market, compared to none in all of 2017. The average 2017 daily closing price of the Chicago Board Options Exchange Volatility Index (VIX) was 11.1, the lowest of any year since the VIX's inception in 1986 and a full 10 points below the VIX's annual average. The VIX spiked to over 35 in the first week of February and the S&P 500® was down over 10% in a two week period. While January was mostly a continuation of 2017 as volatility was very low and expensive, large cap megatechs and ecommerce companies drove the benchmark, that was reversed during March, helping the Fund outperform during the last month of the quarter.

Fund Overview

The Fund kept pace with consumer discretionary and tech, which are the largest and were the best performing sectors for the benchmark. Very strong gains in Booking Holdings Inc. and TJX Cos., Inc. on solid earnings reports were only partially offset by weakness in Dollar Tree, Inc. on the discretionary side and were just enough to overcome a 24% return in Amazon.com, Inc. (0.00% as of 3/31/18) in the quarter alone. Again, Amazon's high valuation precludes the Fund from holding it and in Alta views the Fund's risk is lower than that of the benchmark. In technology, Facebook, Inc., Class A detracted the most of any holding as it comes under pressure over a privacy breach. The Fund continues to favor Facebook's market position, its wide moat, its linear and predictable growth profile and now its never seen before low valuation. CEO Mark Zuckerberg's congressional testimony combined with a solid earnings report are likely to turn the stock around. Healthcare continues to be the biggest detractor, with Cerner Corp. (2.74% as of 3/31/18) and Celgene Corp. (2.02% as of 3/31/18) the biggest culprit. A possible delay in the VA contract signing has hurt Cerner recently with the share price more than discounting any loss of revenue in the near term.

Outlook

As of this writing, the S&P 500® trades at a forward earnings multiple of 16.2x, lower than at any time in 2017 and in line with the two years previous. Consensus earnings growth expectations for the next two years have increased to 19% and 11%, respectively. With a dividend yield of 1.8% and earnings growth to boot, Alta believes equity valuations remain attractive relative to current bond yields. Inflation remains within the U.S. Federal Reserve's (Fed) target, which will likely keep long-term yields from climbing materially, further creating a positive environment for equities. The overall benchmark however is heavily reliant on a couple very large and very expensive stocks so the overall market fundamentals are even more attractive excluding these. As such, the Fund is well-positioned to benefit from a rotation out of high-flying megatechs and into growth companies that trade at a more reasonable valuation. This investment style equally weighs growth opportunities and valuation and may return to prominence as soon as inherent market risk is appropriately evaluated.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Booking Holdings, Inc.	5.25	19.72	0.97
Broadridge Financial Solutions, Inc.	2.60	21.51	0.53
Mastercard, Inc., Class A	3.04	15.91	0.43

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
CVS Health Corp.	3.80	-13.66	-0.51
Facebook, Inc., Class A	4.35	-9.45	-0.48
Dollar Tree, Inc.	3.90	-11.56	-0.43

*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.	6.27
Booking Holdings, Inc.	5.46
TJX Cos., Inc.	4.91
Alphabet, Inc., Class A	4.72
Facebook, Inc., Class A	4.45
Dollar Tree, Inc.	4.28
Middleby Corp.	3.77
Ecolab, Inc.	3.66
CVS Health Corp.	3.47
Sherwin-Williams Co.	3.47
Percentage of total portfolio	44.46

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	\$46.03 (B)
Weighted Average Market Cap	\$146.00 (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 1.48% and 0.94% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.25% and 0.94% for Class A and Class I shares, respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.

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 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 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.
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Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	-0.56	-0.56	13.36	-0.26	5.03	5.66	2.39
Class A (at POP)	-6.00	-6.00	7.13	-2.13	3.85	5.05	2.08
Class I (at NAV)	-0.63	-0.63	13.57	0.04	5.36	N/A	8.95
Russell 3000® Growth Index	1.48	1.48	21.06	12.57	15.32	11.31	–

* 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.