TRANSAMERICA®

Transamerica Small Cap Growth

Class A ASGTX | Class I ISCGX

Investment Objective

The fund seeks long-term capital appreciation.

Sub-adviser

Ranger Investment Management, L.P. (Ranger)

RANGER INVESTMENTS

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
Dividend Frequency	Annually

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.

Macroeconomic Overview

The market continued its uninterrupted ascent in the fourth quarter. Remarkably, the largest drawdown in 2017 for the S&P 500® was 2.8%, which represented the smallest intra-year correction since 1995. Additionally, the S&P 500® rose every month of the year, which has never occurred. The largest driver of recent market strength was accelerating earnings growth, both in the U.S. and other developed markets. Other factors that explain the equity market strength are low and relatively stable interest rates combined with subdued inflation. Passage of the Tax Cuts and Jobs Act served as an additional catalyst during the quarter. Notwithstanding these positives there are potential clouds on the horizon, such as an advancing business cycle coinciding with the rate tightening cycle and historically elevated equity valuations.

Fund Overview

Transamerica Small Cap Growth advanced 4.37% compared with the 4.59% return of the Russell 2000® Growth Index (Index). Market strength was broad based as all sectors in the Index advanced during the fourth quarter. Investors modestly shifted their risk appetite as evident by our factor analysis work. Factor analysis demonstrated leadership by higher quality, lower valuation factors. Most notably, unprofitable companies, which comprised 26% of the Index weighting, advanced only 2.6%, underperforming the overall Index return of 4.6%. On a sector basis, energy and producer durables were the largest relative outperforming sectors in the portfolio. The health care and financial services sectors underperformed on a relative basis. After underperforming during the first half of 2017, the energy positions advanced 26% compared with the 9% gain by the Index component. The health care sector underperformed this past quarter partially due to strength by non-earning biotech and pharmaceutical companies in the index, which advanced by nearly 6%

Outlook

The current environment is characterized by improved economic data, tight employment, higher rates and higher valuations. Leadership in the market over the past twelve months was by non-earning companies, which represent 25% of the Index and gained 32.6%. Additionally, 2017 was characterized by historically low volatility. Despite the lack of near-term volatility in the markets, Ranger continues to believe we are in the midst of a long-term rate normalization process and higher interest rates should ultimately lead to higher volatility, which should align well with Ranger's focus on quality growth companies. Regarding valuations, Ranger believes they are relatively full given the current backdrop of a long-term rate normalization process. The cost of capital for companies is likely to increase and become more variable. Additionally, as the U.S. Federal Reserve steers us to a more normalized economic cycle, weaker companies should have a more challenging time and should cede market share. Therefore, stock selectivity from both a fundamental and valuation perspective should be a more important differentiator in this market environment. With corporate operating margins already at, or close to, peak historical levels, it is difficult to foresee a scenario where earnings accelerate meaningfully without accelerating gross domestic product growth. That said, lowering corporate tax rates would certainly benefit earnings growth, especially for small cap companies.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
WildHorse Resource Development Corp.	2.28	38.21	0.78
PRA Health Sciences, Inc.	4.20	19.56	0.76
SiteOne Landscape Supply, Inc.	2.57	32.01	0.73

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Pegasystems, Inc.	3.53	-18.16	-0.70
Medidata Solutions, Inc.	2.23	-18.82	-0.47
Cambrex Corp.	2.64	-12.73	-0.38

*Source: Morningstar Direct

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Top 10 Holdings

	% of Holdings
PRA Health Sciences, Inc.	4.53
Saia, Inc.	4.01
Banc of California, Inc.	3.76
Calavo Growers, Inc.	3.67
Steven Madden, Ltd.	3.62
Pegasystems, Inc.	3.51
Qualys, Inc.	3.40
SiteOne Landscape Supply, Inc.	3.26
WildHorse Resource Development Corp.	2.73
WageWorks, Inc.	2.69
Percentage of total portfolio	35.18

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	**$2.04 (B)**
Weighted Average Market Cap	**$2.31 (B)**

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr	Inception*
Class A (at NAV)	4.37	15.12	15.12	12.31	14.76	N/A	12.35
Class A (at POP)	-1.33	8.72	8.72	10.22	13.48	N/A	11.17
Class I (at NAV)	4.55	15.52	15.52	12.63	15.08	N/A	12.66
Russell 2000® Growth Index	4.59	22.17	22.17	10.28	15.21	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	15.12	19.37	3.08	2.74	36.79	N/A	N/A
Class I (at NAV)	15.52	19.53	3.47	3.04	37.11	N/A	N/A
Russell 2000® Growth Index	22.17	11.32	-1.38	5.60	43.30	N/A	N/A

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.

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.

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Mutual Funds are sold by prospectus. Before investing, consider the funds' investment objectives, risks, charges, and expenses. This and other important information is contain 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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