

TRANSAMERICA US GROWTH

A | TADAX | 11/13/2009 C | TADCX | 11/13/2009 I | TDEIX | 11/30/2009

INVESTMENT OBJECTIVE

The fund seeks to maximize long-term growth.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Large Growth
Lipper Category	Large-Cap Growth
Dividend Frequency	Annually
Primary Benchmark	Russell 1000® Growth Index

SUB-ADVISER

WELLINGTON MANAGEMENT®

Wellington Management Company LLP
(Wellington)

PORTFOLIO MANAGERS

Mammen Chally, CFA
Douglas McLane, CFA
David Siegle, CFA

MACROECONOMIC OVERVIEW

U.S. equities (+13.6%) rallied to their largest quarterly gain since 1998, buoyed by a dovish shift in the U.S. Federal Reserve (Fed) policy and guidance, optimism for a U.S.-China trade deal, relatively strong fourth-quarter earnings, and corporate buybacks. The Fed left its benchmark interest rate unchanged during the quarter, signaling a more patient approach toward future policy-rate adjustments in response to slowing economic growth and muted inflation. The Fed also announced that balance-sheet normalization will begin to slow in May and conclude in September. Fourth-quarter earnings and forward guidance from U.S. companies were encouraging relative to the market's subdued expectations. The blended year-over-year earnings growth rate for the S&P 500® Index was 13.1%, down from 28.4% in the third quarter of 2018. Corporate buybacks represented the largest source of demand for U.S. stocks, as U.S. companies continued to purchase record quantities of their own shares on the back of solid U.S. economic growth and last year's tax cuts. Despite this, approximately U.S. \$63 billion flowed out of U.S. equity funds during the first quarter, while global equity funds realized inflows of approximately U.S. \$64 billion.

FUND OVERVIEW

Transamerica US Growth outperformed its benchmark, the Russell 1000® Growth Index during the quarter. Strong security selection within information technology, health care, and consumer discretionary contributed to relative performance. Weak selection within communication services, financials, and materials partially offset results. Sector allocation, a residual of the fund's bottom-up stock selection process, also contributed to relative performance, driven by the fund's underweight to health care and overweight to information technology. The fund increased its overweight to information technology. At the end of the period the fund was most overweight to information technology, communication services, and consumer staples and most underweight to industrials, real estate, and health care.

OUTLOOK

As Wellington has noted in prior quarters, the U.S. economy remains healthy. With unemployment levels low and trending lower, the labor market tightness suggests to us that risks to U.S. inflation are to the upside. This is in stark contrast to the short end of the yield curve which inverted last month. Wellington will be watching this earnings season for any early indications of pressures on profitability that may persist for the near term. Trade appears to have diminished as a worry even as talks between U.S. and China continue. It does remain a risk if the U.S. can't come to a tariff free conclusion. Although the government shutdown has ended there is the potential for more fits and starts and it is worrisome that deficit concerns have waned in the current political climate. While there is little Wellington can speculate on from a legislative perspective given how early it is, there is likely to be some volatility in certain areas as candidates begin to air their views publicly. On the shorter term positive side, credit remains benign and does not appear to be a near term headwind to profitability.

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.

TRANSAMERICA US GROWTH

as of 03/31/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	17.43	17.43	13.91	15.83	12.47	-	12.47
Class I (at NAV)	17.52	17.52	14.23	16.19	12.82	-	13.20
Class A (at POP)	10.98	10.98	7.66	13.68	11.20	-	11.79
Russell 1000® Growth Index	16.10	16.10	12.75	16.53	13.50	17.52	-

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.

FEES (%)

	A	C	I
Gross Expense Ratio	1.16	1.96	0.87
Net Expense Ratio	1.16	1.96	0.87

The Max Sales Charge for Class A shares is 5.50%. There are no sales charges for 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 minimum investment for Class I shares is \$1,000,000 per fund account, but will be waived for certain investors.

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 03/01/2020.

CONTRIBUTORS & DETRACTORS (%)

Leading contributors	Contribution	Weight	Return
Apple Inc	1.04	4.81	20.94
Amazon.com Inc	1.03	5.44	18.56
Microsoft Corp	0.85	4.97	16.62
Leading detractors	Contribution	Weight	Return
Activision Blizzard Inc	-0.04	0.49	-5.36
Bristol-Myers Squibb Company	-0.07	0.78	-7.38
Biogen Inc	-0.21	0.67	-27.98

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Amazon.com, Inc.	5.56
Apple, Inc.	5.14
Microsoft Corp.	5.12
Alphabet, Inc., Class A	4.76
Mastercard, Inc., Class A	3.18
UnitedHealth Group, Inc.	2.42
Facebook, Inc., Class A	2.26
NIKE, Inc., Class B	2.13
Alphabet, Inc., Class C	1.96
salesforce.com, Inc.	1.94
Total	34.47

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

The Russell 1000® 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.

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 three 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 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.

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