

TRANSAMERICA MULTI-CAP GROWTH

A | ITSAX | 03/01/2000 C | ITSLX | 11/11/2002 I | TGPIX | 11/30/2009

INVESTMENT OBJECTIVE

The fund seeks long-term capital appreciation.

KEY FACTS

Investment Manager	Transamerica Asset Management, Inc. (TAM)
Morningstar Category	Large Growth
Lipper Category	Multi-Cap Growth
Dividend Frequency	Annually
Primary Benchmark	Russell 3000 [®] Growth Index

SUB-ADVISER



Alta Capital Management, LLC (Alta)

PORTFOLIO MANAGERS

Melanie H. Peche, CFA
Michael O. Tempest

MACROECONOMIC OVERVIEW

The first quarter of 2019 posted the best return for the S&P 500 in nearly ten years, as the market bounced following a sharp sell-off in late 2018. The S&P 500 rose more than 13%, driven by large-cap technology related names such as Facebook, MasterCard and Apple, all up more than 20% on the quarter. Concerns around international trade, slowing economic growth, political turmoil and fed rate hikes all seemed to melt away as markets climbed the wall of worry. S&P earnings expectations for 2019 peaked in October and have been on a steady decline since, with current expectations calling for just 4.3% growth this year. The market currently trades at a 16.7x price to earnings multiple, a reasonable level considering the low interest rate environment. Weakness in late 2018 was largely due to Federal Reserve policymakers signaling more room to raise rates and investors feeling less optimistic that rate hikes were the right move for the market. In January, we saw a more dovish Fed specifying that rates were likely much closer to their targeted neutral level than they had previously indicated. Following the most recent meeting, few expect any new rate hikes this year with just one called for in 2020. Lower rates help justify a higher multiple. However, with the Fed pausing here, there would be less room to lower rates if the economy did meaningfully slow, potentially magnifying the pain of a future recession.

FUND OVERVIEW

The first quarter of 2019 witnessed a dramatic rebound from the end of 2018. US markets rallied on growing optimism that a trade agreement between the U.S. and China could be imminent as well as news that the Fed has stopped raising rates for now. In March, the bull market in stocks turned ten years old, underpinned by solid economic data.

OUTLOOK

The US still appears to be the fastest growing developed economy in the world with an unemployment rate of just 3.8% and 2018 GDP growth of 2.9%. Economic growth near 3% is unlikely to repeat in 2019, most expect the economy to grow around 2.4% this year. This is still above trend and ahead of Europe and Japan. Inflation remains low, giving the Fed cover to pause rate increases, and allowing the expansion to continue. With 10-year rates falling back to the mid 2% range, borrowing costs will likely remain low in the near term, allowing businesses to invest for the future at attractive rates. The change in Fed policy, coupled with low rates around the globe, has sent Treasury rates lower in 2019. The yield curve, or the charted path of Treasury rates by duration, has flattened out. When 2-year Treasury and 10-year Treasury notes yield the same amount, investors take that to mean growth expectations have diminished significantly and a recession could be on the horizon. While a recession has always come after an inversion of the yield curve, a yield curve inversion has not always led to a recession. And historically, the recession has not come quickly following an inversion. In the most recent five curve inversions, the market has gone on to rise a further 11% on average before the recession began. Indeed, the inversion of the curve does not mean a recession is imminent.

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 MULTI-CAP 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)	14.01	14.01	7.49	9.13	1.69	11.13	2.66
Class I (at NAV)	14.37	14.37	8.10	9.56	2.07	-	8.86
Class A (at POP)	7.76	7.76	1.58	7.10	0.54	10.51	2.35
Russell 3000® Growth Index	16.18	16.18	12.06	16.40	13.10	17.44	-

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	1.45	2.16	0.92
Net Expense Ratio	1.25	2.00	0.92

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
Facebook Inc A	1.31	5.17	27.16
Apple Inc	1.29	5.98	20.94
Fleetcor Technologies Inc	1.00	3.28	32.78
Leading detractors	Contribution	Weight	Return
Berkshire Hathaway Inc B	-0.04	2.45	-1.61
Markel Corp	-0.12	2.56	-4.03
CVS Health Corp	-0.59	2.99	-17.06

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Apple, Inc.	6.54
Alphabet, Inc., Class A	5.63
Facebook, Inc., Class A	5.17
Booking Holdings, Inc.	4.64
Check Point Software Technologies, Ltd.	3.48
Mastercard, Inc., Class A	3.37
Lowe's Cos., Inc.	3.37
TJX Cos., Inc.	3.16
Markel Corp.	3.13
Broadridge Financial Solutions, Inc.	3.12
Total	41.61

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

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.

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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