

Transamerica Mid Cap Growth

A | MCGAX | 03/10/2017 **C** | MGTCX | 03/10/2017 **I** | IMCGX | 03/10/2017

Investment objective

The fund seeks long-term capital appreciation.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Mid-Cap Growth

Lipper Category

Mid-Cap Growth Funds

Dividend Frequency

Annually

Benchmark

Russell Midcap[®] Growth Index

SUB-ADVISER

WELLINGTON MANAGEMENT[®]

Wellington Management Company LLP (Wellington)

PORTFOLIO MANAGERS

Timothy N. Manning

MACROECONOMIC OVERVIEW

US equities registered their first quarterly loss since the third quarter of 2023. Volatility surged and risk sentiment waned as markets grappled with the implications and considerable uncertainty surrounding the new administration's policies on trade, immigration, fiscal spending, tax cuts, and deregulation. Escalating tariffs and the prospect of additional levies in April worsened the outlook for inflation and economic growth, fueling fears of stagflation and recession. Against a turbulent market backdrop, technology indices fell sharply, and growth and small-cap stocks significantly underperformed their value and large-cap counterparts, respectively. Deteriorating business and consumer sentiment threatened to curtail spending, although economic activity indicators released in March suggested that the US economy remained on a solid footing. The labor market was solid, and the services sector stayed in expansionary territory. The US Federal Reserve (Fed) left interest rates unchanged as officials continued to monitor how aggressive trade policies impact inflation, spending, and investment. The Fed cut its 2025 economic growth forecast to 1.7%, from 2.1%, and hiked its annual core inflation estimate to 2.8%, from 2.5%, signaling a greater risk of stagflation. According to FactSet, first-quarter earnings for companies in the S&P 500 Index are forecast to grow 7.3% year over year, below the 10-year average earnings growth rate of 8.5% and significantly lower than 18.3% in the fourth quarter.

FUND OVERVIEW

Transamerica Mid Cap Growth underperformed the Russell MidCap Growth Index in the first quarter of 2025. Security selection and sector attribution drove relative performance. Selection in the information technology, consumer staples, and health care sectors detracted most from relative performance and was only partially offset by strong selection within the communication services and consumer discretionary sectors. Sector allocation, a residual of our bottom up stock selection process, also detracted from relative results in the period. An overweight to communication services detracted most on a relative basis. Top relative detractors for the period included an overweight's to Freshpet (1.71% as of 3/31/2025), a natural pet food producer, Block (2.26%), a financial services and digital payments company, and cosmetics company e.l.f. Beauty (0.93%). Top relative contributors for the period included Tradeweb Markets (3.81%), an electronic marketplace for rates, credit, money market and ETFs, O'Reilly Automotive (2.84%), an autoparts retailer, and convenience store chain Casey's General Stores (3.33%).

OUTLOOK

As a reminder, Wellington seeks to own the stocks of companies with strong secular growth characteristics and high and sustainable return on invested capital (ROIC), which are inexpensive on long-term earnings power. Wellington believes the portfolio is well positioned for the current environment, and continue to feel great about the quality of the holdings in your portfolio and their ability to generate outperformance over the long term.

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.

Average annual total returns and expense ratios (%)

	3M	YTD	1 YR	3 YRS	5 YRS	10 YRS	Inception	Gross	Net
Class A (at NAV)	-8.43	-8.43	-3.16	2.89	10.66	-	6.95	1.24	1.23
Class I (at NAV)	-8.39	-8.39	-2.84	3.32	11.09	-	7.30	0.89	0.89
Class A (at POP)	-13.47	-13.47	-8.48	0.96	9.42	-	6.20	1.24	1.23
Russell Midcap® Growth Index	-7.12	-7.12	3.57	6.16	14.86	-	-	-	-

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.

The Max Sales Charge for Class A shares is 5.50%. There are no sales charges for Class I shares. 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 3/1/2026.

Top 10 holdings (%)

Targa Resources Corp.	4.84
Ares Management Corp., Class A	4.53
Palantir Technologies, Inc., Class A	4.14
Clean Harbors, Inc.	3.95
Tradeweb Markets, Inc., Class A	3.81
Gartner, Inc.	3.69
Veeva Systems, Inc., Class A	3.54
CDW Corp.	3.43
Casey's General Stores, Inc.	3.33
Axon Enterprise, Inc.	3.24
Total	38.50

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

Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
Tradeweb Markets Inc	0.49	4.03	13.50
O'Reilly Automotive Inc	0.46	2.40	20.81
Targa Resources Corp	0.45	4.16	12.74
Leading Detractors	Contribution	Weight	Return
Datadog Inc Class A	-1.04	2.82	-30.57
Freshpet Inc	-1.10	2.03	-43.85
Block Inc Class A	-1.14	2.64	-36.07

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*Average portfolio weight for each security during the course of the quarter, calculated using daily holdings.

**The return for each security corresponds to the portion of the quarter when the fund held the security.

The Russell Midcap® 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® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group companies. Returns on growth stocks may not move in tandem with return on other categories of stocks or the market as a whole. Growth stocks typically are particularly sensitive to market movements and may involve larger price swings because their market prices tend to reflect future expectations. 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. Investing in small and medium-sized companies involves greater risk than is customarily associated with more established companies. The securities of small and midcapitalization companies are subject to higher volatility than larger, more established companies.

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 two 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 visit 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. (TAM) and distributed by Transamerica Capital, LLC, member FINRA. Transamerica Companies and Wellington are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

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