

Transamerica Small Cap Growth

A | ASGTX | 08/31/2012 **C** | CSGTX | 08/31/2012 **I** | ISCGX | 08/31/2012

Investment objective

The fund seeks long-term capital appreciation.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Small Growth

Lipper Category

Small-Cap Growth Funds

Dividend Frequency

Annually

Benchmark

Russell 2000® Growth Index

SUB-ADVISER



Ranger Investment Management, L.P. (Ranger)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

During the first quarter, all U.S. market indices broadly declined. Markets are grappling with heightened uncertainty driven by policy shifts, trade disruptions, and evolving economic conditions. Tariff concerns have emerged as a key source of economic uncertainty. Ongoing shifts in trade policy, along with the threat of retaliatory measures and renegotiated agreements, are disrupting supply chains, increasing costs, and compelling companies to reassess their sourcing, pricing, and growth strategies. While some domestic industries benefit from America first policies, they also face risks from diplomatic tensions and retaliation by key trade partners. These changes reflect a broader 'paradigm shift' in global economic relationships, prompting a reevaluation of investment strategies, capital flows, and supply chain structures. Although economic nationalism could support certain industries over time, it also brings uncertain near-term outcomes with risks to economic growth. Businesses and investors must stay agile in this increasingly complex environment. As policy is implemented, the Federal Reserve's (Fed) role will take clearer form. Market speculation and political pressure are adding to calls for rate cuts amid growing concerns over economic headwinds, including tariff effects.

FUND OVERVIEW

In Q1, Transamerica Small Cap Growth returned (-9.42%), outperforming the Russell 2000® Growth Index return of (-11.12%). High-quality factors drove performance, as companies with earnings outperformed those without earnings (-7.5% vs. -18.3%). Companies with strong earnings, return on earnings (ROE), interest coverage, and margins were favored, reflecting a market focus on profitability and resilience. Higher beta names broadly underperformed amid increased risk aversion. In the fund, the utilities and technology industries outperformed, while financials and industrials lagged. Healthcare and utilities industry weights rose by 3.50% and 1.40%, while technology and consumer discretionary weightings fell by 4.90% and 1.20%. The largest industry overweight and underweight at quarter-end were utilities and healthcare, respectively.

OUTLOOK

The U.S. Government is attempting to effect major, fundamental changes. While some wish for a more measured or methodical approach, it is clear there is a desire to disrupt the status quo with strong and relentless measures. The rapid pace of government downsizing (DOGE) has weighed on sentiment, prompting market adjustments as the economy absorbs these structural changes. The market's reaction to Trump's tariff announcement reflects broad concern that the tariffs are more aggressive than anticipated. A key takeaway: Trump 2.0 should be taken at his word. Investors, foreign governments, and corporations expecting negotiation or moderation may need to adjust. Throughout March, the administration emphasized the need to endure short-term pain for the sake of longer-term trade goals. The U.S. economy now stands at a crossroads. If trading partners retaliate, the risk of recession increases. If they refrain, a more balanced trade landscape could emerge. Still, the tariffs add pressure to growth, as falling C-suite and consumer confidence reflect concern about economic headwinds. Small and micro-cap stocks are leading the declines, with investors uncertain about the unfolding downside scenario. The announcement gives U.S. companies some clearer parameters to assess potential earnings impacts. Previously hesitant to adjust guidance, management teams and analysts can now refine forecasts—an essential step toward stabilizing equities and rebuilding confidence. For a durable bottom to form, earnings expectations must reset to support new valuation levels. Looking ahead, fiscal policy, trade strategy, and monetary policy will shape the outlook. The mix of taxation, regulation, spending, trade, and currency policy will drive economic activity, sentiment and competitiveness, while the Fed's stance will be key to supporting growth.

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)	-9.42	-9.42	-10.19	-1.55	9.39	6.66	8.24	1.49	1.40
Class I (at NAV)	-9.44	-9.44	-9.88	-1.29	9.74	6.96	8.54	1.12	1.10
Class A (at POP)	-14.38	-14.38	-15.13	-3.38	8.14	6.06	7.76	1.49	1.40
Russell 2000® Growth Index	-11.12	-11.12	-4.86	0.78	10.78	6.14	-	-	-

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 (%)

Texas Roadhouse, Inc.	4.17
Pegasystems, Inc.	3.68
Casella Waste Systems, Inc., Class A	3.49
Excelerate Energy, Inc., Class A	3.29
HealthEquity, Inc.	3.04
Paylocity Holding Corp.	2.94
Permian Resources Corp.	2.74
Chemed Corp.	2.69
LeMaitre Vascular, Inc.	2.64
OneSpaWorld Holdings Ltd.	2.63
Total	31.31

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**
Aris Water Solutions Inc Class A	0.75	2.18	34.42
Guidewire Software Inc	0.57	2.87	11.14
Sprouts Farmers Market Inc	0.37	2.20	20.12

Leading Detractors	Contribution	Weight	Return
Workiva Inc Class A	-0.95	2.63	-30.68
Pegasystems Inc	-1.00	4.30	-25.38
AAON Inc	-1.06	2.84	-33.52

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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 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® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group companies. Small capitalization companies may be more at risk than larger capitalization companies because, among other things, they may have limited product lines, operating history, market or financial resources, or because they may depend on limited management groups. 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 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.

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