

## 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<sup>®</sup> Growth Index

### SUB-ADVISER



Ranger Investment Management, L.P. (Ranger)

### PORTFOLIO MANAGERS

W. Conrad Doenges  
Andrew Hill  
Joseph LaBate  
Brown McCullough

### MACROECONOMIC OVERVIEW

After years of bifurcated market performance and sub-2% GDP growth, 2026 began on a stronger note. Easier monetary policy, supported by fiscal stimulus, improved the backdrop as yields fell, PMIs rose, business confidence firmed, inflation stayed controlled, and employment data came in better than feared. GDP expectations, company results, and guidance all improved, fueling an early rotation away from crowded mega cap stocks toward smaller, more cyclical, domestically oriented businesses positioned to benefit from a broader recovery. Interest rates were central to that shift. Smaller companies tend to be more rate-sensitive, given their higher leverage, greater domestic exposure, and greater reliance on capital access. Early in the quarter, investors became more willing to price in a more supportive small cap environment as financial conditions eased. That risk-on tone was disrupted by the start of the war in Iran on February 28. Oil then drove market direction as investors reassessed the shock's impact on inflation and growth, and the broadening trade quickly reversed. Through February 27, the Russell 2000 Growth Index was up 3.7%, but it fell 6.4% over the rest of the quarter to finish down 2.9%.

### FUND OVERVIEW

For the first quarter, Transamerica Small Cap Growth, Class A returned (-4.81%) net and (-10.12%) gross, modestly underperforming the Russell 2000 Growth's (-2.81%) return. Factor results were mixed and did not show a clear preference for fundamentally stronger companies. While some quality traits helped—stronger trailing and forward growth in select revenue and earnings measures, along with cheaper Last Twelve Months (LTM), P/E and price-to-cash-flow—the broader pattern often favored more speculative stocks. Higher leverage outperformed, richer price-to-sales and Next Twelve Months (NTM), P/E cohorts generally led, and traditional quality measures such as Return on Equity (ROE), Free Cash Flow (FCF) yield, operating margin, and interest coverage were less consistently rewarded. Within the portfolio, industrials and energy were the largest relative outperformers, while healthcare and consumer discretionary lagged most.

### OUTLOOK

As first-quarter earnings season begins, uncertainty tied to the Iran conflict—including possible disruption in the Strait of Hormuz and broader spillover effects—could lead some companies to take a more cautious view on guidance. Even so, we continue to believe 2026 could be one of the most favorable years for small-cap equities in quite some time. In that context, the market action in the first several weeks of the year may prove more meaningful than the quarter's final outcome. The early rotation into small caps was driven by firmer growth expectations, easier financial conditions, and a move away from an increasingly crowded Mega Cap trade. That shift was interrupted by the oil shock, but not necessarily invalidated. The market's initial response showed how quickly leadership can broaden when conditions become more supportive for smaller, more cyclical, domestically oriented businesses. While the path of further easing is less certain, financial conditions remain better than a year ago, and the lagged effects of easier policy may still support small-cap fundamentals. We also continue to see tailwinds from Artificial Intelligence (AI) infrastructure spending and broader domestic investment, which should widen the opportunity set beyond the current group of large-cap beneficiaries. In addition, changes in the tax framework could provide support, particularly for capital-intensive, domestically focused businesses that are more heavily represented in small caps. Near-term risks remain significant. The Iran conflict, higher oil prices, and renewed inflation concerns have increased macro uncertainty and could delay the broadening that began earlier in the year. Still, delay is not the same as invalidation. If energy prices stabilize, inflation moderates, and the recovery remains intact, we believe the conditions remain in place for 2026 to mark the start of a more sustained period of relative strength for smaller companies.

**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
<b>Class I (at NAV)</b>	-4.72	-4.72	1.88	2.32	-1.91	7.69	8.04	1.19	1.10
<b>Class A (at NAV)</b>	-4.81	-4.81	1.64	2.07	-2.20	7.41	7.74	1.54	1.40
<b>Class A (at POP)</b>	-10.12	-10.12	-3.93	0.18	-3.31	6.80	7.29	1.54	1.40
<b>Russell 2000® Growth Index</b>	-2.81	-2.81	23.58	12.27	1.62	9.79	-	-	-

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](https://www.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 3/1/2027.

## Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
Argan Inc	1.56	2.84	74.06
Permian Resources Corp Class A	0.82	1.86	53.21
Oceaneering International Inc	0.77	2.13	47.61
Leading Detractors	Contribution	Weight	Return
Ncino Inc Ordinary Shares	-0.71	1.26	-41.58
Pegasystems Inc	-1.30	3.51	-28.70
ADMA Biologics Inc	-1.42	2.41	-50.60

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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.

## Top 10 holdings (%)

Ligand Pharmaceuticals, Inc.	3.62
UL Solutions, Inc., Class A	3.43
Pegasystems, Inc.	3.42
MACOM Technology Solutions Holdings, Inc.	2.95
PDF Solutions, Inc.	2.58
Oceaneering International, Inc.	2.53
Saia, Inc.	2.52
Texas Roadhouse, Inc.	2.51
Casella Waste Systems, Inc., Class A	2.43
Simpson Manufacturing Co., Inc.	2.38
<b>Total</b>	<b>28.37</b>

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

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](https://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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