

# Transamerica Sustainable Growth Equity

A | TSGDX | 03/31/2023

## Investment objective

The fund seeks to maximize long-term growth.

## Key Facts

### Investment Manager

Transamerica Asset Management, Inc. (TAM)

### Lipper Category

Large Cap Growth Funds

### Dividend Frequency

Annually

### Benchmark

Russell 1000® Growth Index

## SUB-ADVISER

**WESTFIELD**  
CAPITAL MANAGEMENT

Westfield Capital Management Company, L.P. (Westfield Capital)

### PORTFOLIO MANAGERS

Ethan J. Meyers, CFA

William R. Gilchrist

## MACROECONOMIC OVERVIEW

Markets in the first quarter of 2025 reflected a dramatic reversal in sentiment. Early strength pushed major indices to record highs, but momentum faded through March as macroeconomic signals softened and investor caution grew. Signs of stress emerged across cyclical sectors, and leadership rotated toward value and defensives. Large caps outperformed smaller peers, while quality and low-volatility factors gained traction. By quarter-end, market positioning had already begun to reflect heightened uncertainty—a dynamic that would intensify in early April with the announcement of a sweeping new U.S. tariff regime, sparking one of the sharpest equity drawdowns since 2020.

## FUND OVERVIEW

During the quarter, the Transamerica Sustainable Growth Equity Fund returned -8.51%, outperforming the Russell 1000® Growth Index return of -9.97%. Relative strength within Financials and Health Care outweighed relative weakness within Industrials and Communication Services. Financials was the top relative contributor over the quarter, adding 1.06% of relative performance. Progressive Corp. (2.37% as of 3/31/2025), a leading provider of personal and commercial auto insurance, was a top contributor over the period. The company continued to deliver strong monthly policy growth while maintaining underwriting margins well above industry averages, benefiting from its agile pricing and marketing capabilities. PGR's (0.00%) operational flexibility has enabled it to navigate an evolving auto insurance landscape, including emerging tariff-related headwinds tied to rising auto parts costs. Despite potential pressures on loss ratios, Westfield believes PGR remains better positioned than peers to adjust underwriting and pricing strategies accordingly. With improving margins and meaningful sensitivity to interest rates, we expect the company to return to its historical pattern of outsized top-line and earnings growth, supporting our constructive long-term view on the name. Industrials was the top relative detractor over the period, costing the portfolio 0.59% of relative performance. Vertiv Holdings Co. (0.98%), a key supplier of integrated power and cooling solutions for data centers, was the top detractor in the portfolio over the period. Shares fell sharply after a solid 4Q24 report, with strong beats on sales and earnings per share (EPS) offset by flat orders and tempered 2025 guidance. Negative sentiment was amplified by fresh data center cancellations from Microsoft (10.52%), concerns over reconfigured AI server design cycles, and broader tech headlines, including CoreWeave's revised initial public offering (IPO) and artificial intelligence (AI) "bubble" comments from Alibaba's Chairman. Nevertheless, we maintain our conviction in Vertiv's positioning amid multi-year AI infrastructure tailwinds, including new demand forecasts and mega-projects like Stargate. With 35% of earnings before interest and taxes EBIT generated outside the U.S., recent macro narratives around deglobalization added volatility, but we view the stock as oversold relative to its long-term opportunity.

## OUTLOOK

As the market digests the implications of a more volatile macro and policy environment, Westfield believes the near-term outlook warrants measured caution. The tariff shock has materially increased downside risk to earnings and growth expectations, and volatility remains elevated amid persistent uncertainty. Still, the recent repricing has improved market breadth and reset valuations in certain areas, presenting opportunities for selective reentry. Westfield continues to prioritize capital preservation, focusing on companies with strong free cash flow, pricing power, and tariff resilience. In their view, a disciplined, quality-oriented approach will be essential as the investment landscape evolves through ongoing policy and economic crosscurrents.

**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 A (at NAV)</b>	-8.51	-8.51	3.11	-	-	-	19.20	2.19	0.95
<b>Class A (at POP)</b>	-13.53	-13.53	-2.55	-	-	-	15.89	2.19	0.95
<b>Russell 1000® Growth Index</b>	-9.97	-9.97	7.76	-	-	-	-	-	-

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://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. Performance for other share classes will vary.

The Max Sales Charge for Class A shares is 5.50%.

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.

## Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
Ascendis Pharma AS ADR	0.45	3.59	13.21
Visa Inc Class A	0.41	3.85	11.08
Progressive Corp	0.36	2.00	20.42
Leading Detractors	Contribution	Weight	Return
Microsoft Corp	-1.14	10.71	-10.76
Apple Inc	-1.15	9.59	-11.20
NVIDIA Corp	-1.97	9.79	-19.29

Source: Morningstar Direct. ©2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

\*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 (%)

Microsoft Corp.	10.52
Apple, Inc.	9.99
NVIDIA Corp.	9.32
Amazon.com, Inc.	7.62
Visa, Inc., Class A	4.57
Ascendis Pharma AS	4.25
Alphabet, Inc., Class C	3.49
Alphabet, Inc., Class A	3.47
Axon Enterprise, Inc.	3.10
Netflix, Inc.	2.71
<b>Total</b>	<b>59.04</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 1000® Growth Total Return 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.

The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. The prices of securities the sub-adviser believes are undervalued may not appreciate as anticipated or may go down. Applying the sub-adviser's ESG criteria to its investment analysis for the fund may impact the sub-adviser's investment decisions as to securities of certain issuers and therefore the fund may forgo some investment opportunities available to funds that do not use ESG criteria. Securities of companies with what are defined by the sub-adviser as having favorable ESG characteristics may shift into and out of favor depending on market and economic conditions, and the fund's performance may at times be better or worse than the performance of similar funds that do not use ESG criteria or that apply different ESG criteria. ESG is not a uniformly defined characteristic and applying ESG criteria involves a subjective assessment. ESG ratings and assessments of issuers can vary across third-party data providers. These risks are described in more detail in the prospectus.

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://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 Westfield Capital are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

© 2025 Transamerica Corporation. All Rights Reserved.

3769034R3

05/25