

# Transamerica Concentrated Growth

Class A TORAX | Class I TOREX

## Investment Objective

The fund seeks to achieve long-term growth of capital.

## Sub-adviser

Torray LLC (Torray)



## Portfolio Manager

Nicholas C. Haffenreffer

## Product Profile

The fund's strategy is to invest in large capitalization companies with proven track records of increasing earnings on a consistent and sustainable basis

- ➔ Concentrated approach investing in 25 to 30 stocks
- ➔ Long-term orientation and a quality focus
- ➔ Sector weights are independent of benchmarks

## Fund Facts

Inception Date (A-I)	03/01/14 - 12/31/10
Benchmark Index	Russell 1000® Growth Index
Morningstar Category	Large Growth
Lipper Category	Large-Cap Growth
Dividend Frequency	Annually

**This material was prepared for general distribution. It is being provided for informational purposes only and should not be viewed as an investment recommendation. If you need advice regarding your particular investment needs, contact your financial professional.**

## Macroeconomic Overview

Eight years into this bull market, it's hard not to be impressed and somewhat leery of the market's persistent advance. In fact, this is the second longest bull market on record. The combination of deep skepticism following the financial crisis, moderate economic growth, an absence of inflation, and accommodative interest rates goes a long way toward explaining the market's resilience. Stocks continued to march ahead in the second quarter, generating solid returns on the back of an outstanding first quarter. Leadership in the first half of the year stands in stark contrast to the best performing stocks in late 2016, which concluded with a powerful cyclical rally in industrials, financials and materials following the surprise election of Donald Trump. As the new administration's honeymoon drew to a close with the inevitable reality of political battles, economic fundamentals retook center stage, as did the leadership of a short list of seemingly expensive large cap growth stocks. Given this group's lack of breadth and valuation support, it is curious, if not counterintuitive, that investors have increasingly come to view the group as "defensive." While there may be something to be said for the phrase "the best defense is a good offense," we continue to maintain that a disciplined approach with respect to valuation and diversification should not be ignored.

## Fund Overview

For the second quarter, Transamerica Concentrated Growth Fund gained 4.10%, performing in line with the benchmark Russell 1000® Growth Index's return of 4.67%. On a year-to-date basis, the fund returned 13.24%, just shy of the benchmark's advance of 13.99%. It has clearly been a rewarding first half of the year for equity investors, particularly those invested in growth stocks, with the Russell 1000® Growth Index outperforming the Russell 1000® Value Index by 9.33% and the S&P 500® by 4.65%. During the quarter, a benign regulatory environment provided the basis for leadership from the health care and financial sectors, while the energy sector remained weak as concerns regarding oversupply kept commodity prices under pressure. Portfolio sector allocation was neutral to relative returns and stock selection was modestly negative.

## Outlook

In spite of elevated geopolitical risks and moderating expectations regarding the Trump Administration's ability to achieve its ambitious economic agenda, equity markets continued to demonstrate remarkable resilience during the first six months of 2017. Beneath the headlines, a synchronized global expansion continues to build momentum and reaccelerate earnings growth after a three-year drought. Valuations are high by historical standards, but the market's advance is supported, at least in part, by an absence of inflation and the probability that interest rates will remain low for a long time. Torray continues to evaluate the potential impact of the primary policy changes proposed by the new administration and believe the portfolio's exposure to both risks and opportunities are balanced. Torray remains focused on valuations and identifying attractive investment opportunities as they emerge from the intersection of economic fundamentals, politics and geopolitical events.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
The Cooper Companies, Inc.	3.54	19.78	0.69
Alphabet, Inc., Class A	5.09	9.66	0.48
LKQ Corp.	3.68	12.57	0.47

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Akamai Technologies	1.08	-17.67	-0.40
O'Reilly Automotive, Inc.	1.91	-13.86	-0.35
EOG Resources, Inc.	2.72	-7.05	-0.20

\*Source: Morningstar Direct

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 decisions.

**Not insured by FDIC or any federal government agency. May lose value.  
Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.**

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## Top 10 Holdings

	% of Holdings
Alphabet, Inc., Class A	4.88
Charles Schwab Corp.	4.24
Apple, Inc.	4.02
Visa, Inc., Class A	4.00
American Tower Corp., Class A, REIT	3.99
Facebook, Inc., Class A	3.97
Fiserv, Inc.	3.93
Accenture PLC, Class A	3.92
LKQ Corp.	3.92
Cerner Corp.	3.80
<b>Percentage of total portfolio</b>	<b>40.67</b>

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

## Equity Statistics

Median Market Cap	<b>\$54.25 (B)</b>
Weighted Average Market Cap	<b>\$125.00 (B)</b>

**B** = Billions

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.

Class I shares are primarily offered for investment to institutional investors including, but not limited to, fee-based programs, qualified retirement plans, certain endowment plans and foundations and Directors, Trustees and employees of the funds' affiliates.

**The performance data presented 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 of 5.50%. Performance for other share classes will vary.**

**The gross expense ratios for this fund are 1.12% and 0.83% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.12% and 0.83% for Class A and Class I shares, respectively. Contractual arrangements have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2018.**

The Russell 1000® 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. The fund may be more concentrated than that of a more diversified fund, subjecting it to greater fluctuation and risk.

**Before investing, consider the fund's investment objective, risks, charges, and expenses. Contact your financial professional or go to transamerica.com for a prospectus and/or summary prospectus with this information. Read it carefully.**

Transamerica Funds are advised by Transamerica Asset Management, Inc. and distributed by Transamerica Capital, Inc.

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## Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr <sup>*,†</sup>	5 Yr <sup>*,†</sup>	10 Yr	Inception*
Class A (at NAV)	4.10	13.10	17.64	7.17	12.92	N/A	11.78
Class A (at POP)	-1.64	6.89	11.16	5.17	12.92	N/A	11.78
Class I (at NAV)	4.14	13.24	18.00	7.42	12.98	N/A	11.89
Russell 1000® Growth Index	4.67	13.99	20.42	11.11	15.30	N/A	–

\* Average Annual Total Return

## Calendar Year Performance (%)

	2016	2015	2014	2013	2012	2011	2010
Class A (at NAV)	6.86	-2.17	8.12	31.84	20.28	2.23	N/A
Class I (at NAV)	6.52	-2.27	8.12	31.84	20.28	2.23	N/A
Russell 1000® Growth Index	7.08	5.67	13.05	33.48	15.26	2.64	N/A

<sup>†</sup>Synthetic Return

<sup>†</sup>Class A shares commenced operations on March 1, 2014. The performance of the Class A shares prior to March 1, 2014 reflects the performance of the Class I share of the fund, restated to reflect fees and expenses of Class A shares, without the effect of any fee or expense limitations. The Class I shares are using performance history from The Torrey Rolute Fund which commenced operations December 31, 2010. Total Returns and Average Annual Returns are shown for Class A shares calculated from December 31, 2010, the commencement of the fund. There were no changes to the management team or the strategy from the predecessor fund to the successor fund.

## Risk Measures\*

3 years

Alpha	<b>-2.93</b>
Beta	<b>0.93</b>
R-Squared	<b>90.00</b>
Standard Deviation	<b>10.82</b>

\*Risk measures are in comparison to the fund's primary benchmark unless otherwise indicated. Based on Class A shares at NAV for the 3-year period.

**Alpha** is a coefficient measuring the portion of a fund's return arising from specific (non-market) risk. Historical **Beta** illustrates a fund's sensitivity to price movements in relation to a benchmark index. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **Standard Deviation** is a statistical measurement that helps to gauge the fund's historical volatility.