

Transamerica Capital Growth

Class A IALAX | Class I TFOIX

Investment Objective

The fund seeks to maximize long-term growth.

Sub-adviser

Morgan Stanley Investment Management Inc. (Morgan Stanley)

Morgan Stanley Investment Management

Portfolio Managers

Dennis P. Lynch
 Sam G. Chainani, CFA
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Product Profile

A focused, concentrated large-cap growth portfolio that emphasizes growth

- ➔ Consistent management team stresses collaboration, creativity, and development
- ➔ Long-term focus in short-term world creates high conviction, low turnover portfolio of quality large-cap growth stocks
- ➔ Emphasizes business sustainability, balance-sheet quality, and clear growth potential

Fund Facts

Inception Date (A-I)	11/13/09 - 11/30/09
Benchmark Index	Russell 1000® Growth Index
Morningstar Category	Large Growth
Lipper Category	Large-Cap Growth
Dividend Frequency	Annually

Macroeconomic Overview

Large cap growth stocks advanced slightly during the quarter, with utilities the best performing sector in the Russell 1000® Growth index. Telecommunication services, materials, energy, consumer staples, and real estate each posted declines and were the greatest underperformers in the index. Against this backdrop, Morgan Stanley continues to focus on bottom-up stock selection and the long-term outlook for companies owned in the portfolio.

Fund Overview

Transamerica Capital Growth outperformed the benchmark this quarter largely due to favorable stock selection; sector allocations also contributed. Stock selection in health care and information technology accounted for the majority of the Fund's outperformance this quarter. Veeva Systems, Inc., Class A is a company which provides software-as-a-service solutions to the life sciences industry, was the top contributor both among these areas and across the portfolio. The company has been executing well, and reported strong results characterized by strong revenue growth, new customer addition, and particularly robust performance in the company's Vault product which provides a suite of content and data management applications. Global communications platform Twitter, Inc. was the top contributor in information technology and third greatest across the portfolio. The shares were buoyed by strong reported results including accelerating revenue growth and double digit user growth. Software-as-a-service holdings salesforce.com, Inc., ServiceNow, Inc. (3.46% as of 3/31/18), and Workday, Inc., Class A (3.50% as of 3/31/18) were also all among the top contributors in the portfolio this quarter, due to continued positive investor sentiment across the space which has been supported by strong fundamentals at each company. Within these sectors the strength in these and a diverse set of other holdings was partly offset by weakness in biopharmaceutical company Alnylam Pharmaceuticals, Inc. (0.90% as of 3/31/18) (Alnylam), which was the third greatest detractor across the portfolio. Alnylam shares were pressured towards the end of the quarter due to news of positive trial data for a competitor's treatment option for cardiomyopathy, as this has the potential to impede the prospects for one of Alnylam's pipeline drugs. Consumer discretionary was another area of relative strength, due to favorable stock selection. A lack of exposure to consumer staples, real estate, and energy, as well as stock selection in industrials, also contributed to a lesser extent. Conversely, the financials and materials sectors detracted this quarter, due to stock selection. The portfolio's holdings in leading U.S. aggregates producers Vulcan Materials CO. (1.52% as fo 3/31/18) and Martin Marietta Materials, Inc. (1.55% as of 3/31/18) underperformed, and both were among the greatest detractors across the portfolio. Morgan Stanley believes concerns about wet weather delaying construction activity and potentially impacting future results adversely impacted both stocks. Lastly, utilities – a sector the portfolio has no exposure to – had a negligible impact on relative performance this quarter.

Outlook

Morgan Stanley believes having a market outlook can be an anchor. Morgan Stanley's focus is on assessing company prospects over three to five years, and owning a portfolio of high quality companies with diverse business drivers not tied to a particular market environment.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Amazon.com, Inc.	9.43	23.76	2.18
Veeva Systems, Inc. Class A	5.29	32.09	1.59
Twitter, Inc.	4.73	20.82	0.93

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Vulcan Materials Co.	1.50	-10.86	-0.17
Facebook, Inc., Class A	3.46	-9.45	-0.14
MercadoLibre, Inc.	1.02	-6.67	-0.12

*Source: Morningstar Direct

**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
Amazon.com, Inc.	8.78
Veeva Systems, Inc., Class A	5.61
Alphabet, Inc., Class C	5.28
salesforce.com, Inc.	5.13
Union Pacific Corp.	5.01
Starbucks Corp.	4.96
Activision Blizzard, Inc.	4.91
Illumina, Inc.	4.90
Twitter, Inc.	4.83
LVMH Moët Hennessy Louis Vuitton SE	3.72
Percentage of total portfolio	53.13

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	\$28.90 (B)
Weighted Average Market Cap	\$160.00 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	9.73	9.73	35.63	17.08	20.38	N/A	17.17
Class A (at POP)	3.71	3.71	28.16	14.89	19.02	N/A	16.38
Class I (at NAV)	9.78	9.78	36.02	17.40	20.75	N/A	17.94
Russell 1000® Growth Index	1.42	1.42	21.25	12.90	15.53	N/A	–

* Average Annual Total Return

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class A (at NAV)	43.89	-3.08	11.56	5.69	48.22	14.66	-5.71
Class I (at NAV)	44.32	-2.85	11.89	6.02	48.96	15.28	-5.26
Russell 1000® Growth Index	30.21	7.08	5.67	13.05	33.48	15.26	2.64

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.

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 1.23% and 0.96% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.23% and 0.96% for Class A and Class I shares, respectively. Contractual arrangements (if applicable) have been made with the fund's investment manager, Transamerica Asset Management, Inc. (TAM), through March 1, 2019.

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.

There are no sales charges on Class I. 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 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.

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Mutual funds are subject to market risk, including the loss of principal. Past performance is not indicative of future results.

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