

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 Funds
Dividend Frequency	Annually

Macroeconomic Overview

Large cap growth stocks advanced during the quarter, with utilities the best performing sector in the Russell 1000® Growth Index. All sectors posted a positive return, however, health care was the relative laggard in the index. The portfolio slightly underperformed the benchmark this quarter as favorable stock selection was more than offset by mixed sector allocations. The Morgan Stanley team continues to focus on bottom-up stock selection and the long-term outlook for companies owned in the portfolio.

Fund Overview

Information Technology was the greatest detractor in the Transamerica Capital Growth fund this quarter, due to mixed stock selection. Software-as-a-service provider Workday was the greatest detractor in the sector and the fifth greatest across the portfolio. Morgan Stanley attributes the weakness to a lighter than expected outlook as well as some mean reversion, as the shares had performed strongly throughout the year. Within the sector, the weakness in Workday and other holdings was partly offset by strength in global communications platform Twitter and cloud computing services provider Salesforce.com, which were the second and fourth greatest contributors across the portfolio, respectively. A lack of exposure to consumer staples also detracted to a lesser extent. Conversely, health care was the top contributor in the portfolio this quarter, due to strong stock selection. Illumina, a leader in genetic testing and analysis, was the top contributor in the sector and the fifth greatest across the portfolio. Within the sector, the strength in Illumina was partly offset by weakness in Veeva, a company which provides software-as-a-service solutions to the life sciences industry, which was the top detractor in the portfolio; the shares languished as the company reported solid results but management did not raise its outlook. Stock selection in consumer discretionary also aided relative results; performance was led by online retail and cloud computing leader Amazon.com, which was the top contributor across the portfolio due to continued strong execution. Industrials, and to a lesser extent financials and materials, also contributed this quarter, due to favorable stock selection. Lastly, energy, real estate, telecommunication services, and utilities – all sectors the portfolio has no exposure to – had an immaterial impact on relative results.

Outlook

As a team, 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 sustainable competitive advantages and diverse business drivers not tied to a particular market environment.

Contributors*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Amazon.com, Inc.	8.31	21.65	1.67
Twitter, Inc.	2.43	42.32	0.83
Union Pacific Corp.	3.33	16.26	0.60

Detractors*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Veeva Systems, Inc., Class A	4.65	-2.00	-0.18
The Priceline Group, Inc.	1.98	-5.08	-0.14
Workday, Inc., Class A	3.20	-3.46	-0.12

*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
Amazon.com, Inc.	8.85
Alphabet, Inc., Class C	6.30
salesforce.com, Inc.	5.30
Starbucks Corp.	5.15
Illumina, Inc.	5.11
Veeva Systems, Inc., Class A	5.00
Facebook, Inc., Class A	4.53
Union Pacific Corp.	4.16
United Technologies Corp.	4.01
Berkshire Hathaway, Inc., Class B	3.94
Percentage of total portfolio	52.35

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	\$42.04 (B)
Weighted Average Market Cap	\$158.00 (B)

B = Billions

Total Return Performance (%)

	3 Mo	YTD	1 Yr	3 Yr*	5 Yr*	10 Yr*	Inception*
Class A (at NAV)	7.37	43.89	43.89	15.87	19.50	N/A	16.40
Class A (at POP)	1.48	35.96	35.96	13.71	18.16	N/A	15.59
Class I (at NAV)	7.47	44.32	44.32	16.19	19.90	N/A	17.18
Russell 1000® Growth Index	7.86	30.21	30.21	13.79	17.33	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

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 0.94% for Class A and Class I shares, respectively. The net expense ratios for this fund are 1.23% and 0.94% 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.

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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