

# Transamerica Growth

Class R6 TAGOX

## Investment Objective

The fund seeks long-term growth of capital.

## Sub-adviser

Jennison Associates LLC

## JENNISON ASSOCIATES

## Portfolio Managers

Blair A. Boyer  
Michael A. Del Balso  
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## Product Profile

A growth fund focused on U.S. companies with market capitalization of at least \$1 billion. The fund may invest up to 20% of its assets in the securities of foreign issuers, of which 10% may be invested in emerging markets issuers.

- ➔ Jennison uses a "bottom-up" approach, researching and evaluating individual company fundamentals rather than macro-economic factors.
- ➔ Fundamental research uncovers franchises capable of maintaining above-average long-term growth.
- ➔ Deeply experienced team has managed money collaboratively over multiple market cycles.

## Fund Facts

Inception Date	05/29/15
Benchmark Index	Russell 1000® Growth Index
Morningstar Category	Large Growth
Lipper Category	Large-Cap Growth
Dividend Frequency	Annually

## Macroeconomic Overview

U.S. equities posted solid gains in the quarter despite acrimonious trade disputes and escalating tariffs, as U.S. corporate earnings continued to benefit from lower taxes and economic activity accelerated, in part fueled by low unemployment and wage gains. Chinese equities fell sharply as the trade conflict with the U.S. deteriorated from a war of words to tariff implementation. Trade tensions in North America subsided with the apparent conclusion of a new U.S.-Mexico-Canada trade agreement after the quarter ended. With continued U.S. economic expansion and historically low unemployment, the U.S. Federal Reserve (Fed) raised the Fed funds rate target range another 0.25% (to 2.00%-2.25%).

## Fund Overview

Top contributors to Transamerica Growth return included Amazon.com, Inc. (Amazon), Apple, Inc. (Apple), and Microsoft Corp. (Microsoft). Amazon continues to invest to drive unit growth in its core retail business and through the proliferation of digital commerce via mobile engagement. The stock has benefited from strong execution, long-term revenue growth, and development of a meaningfully important business opportunity in cloud infrastructure. Apple's fundamental strength reflects the proliferation of the iOS platform across the global mobile phone, tablet, and personal device landscape. Its success in updating products at high price points reflects its single ecosystem, which results in ease of use across devices, fostering customer retention. Microsoft's installed base benefits from strong account control and minimal competition in two primary areas that are shifting to a subscription profile – Office and Windows. A differentiated hybrid cloud strategy is enabling Microsoft to increase its share of technology capital spending. Key detractors included Tencent Holdings, Ltd. (Tencent) (2.68% as of 9/30/18), Facebook, Inc. Class A (Facebook), and Tesla, Inc. (Tesla) (1.49%). Tencent fell as US-China trade friction worsened and new restrictions on video game approvals were implemented by the Chinese government. These restrictions are likely to be a short-term headwind that should not impact the company's longer-term fundamentals. Ongoing concern about data breaches, user-data usage, and increased government scrutiny caused weakness in Facebook. Worries about the maturation of user engagement also took a toll, despite the potential of largely untapped opportunities in WhatsApp and Instagram. Tesla has a unique product cycle over the next few years as it leverages its electric vehicle powertrain in more segments within the automotive industry, potentially driving strong growth. However, in the quarter, investor focus shifted from the company's Model 3 production schedules to Tesla's founder, who was sued by the Securities and Exchange Commission (SEC) after tweeting about taking Tesla private. Jennison believe Tesla's post-quarter-end settlement with the SEC should allow investors to resume a focus on company fundamentals.

## Outlook

If supply-chain tightness increases and tariffs mount, headwinds to U.S. economic expansion could threaten a deceleration in gross domestic product growth. For now, economic activity is strong, and unemployment is low. The tight labor market suggests increased labor costs, which would likely add impetus for higher interest rates. Jennison believes the Fund is well positioned with companies whose growth prospects remain robust and well above average even with the heightened risk outlook.

## Contributors\*

Leading Contributors	Weight (%)	Return (%)	Contribution (%)
Amazon.com, Inc.	6.16	17.84	1.04
Apple, Inc.	4.33	22.38	0.90
Microsoft Corp.	4.50	16.43	0.68

## Detractors\*

Leading Detractors	Weight (%)	Return (%)	Contribution (%)
Facebook, Inc., Class A	3.49	-15.37	-0.60
Tencent Holdings, Ltd.	2.96	-17.71	-0.60
Tesla, Inc.	1.77	-22.80	-0.46

\*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.	6.27
Microsoft Corp.	4.85
Apple, Inc.	4.47
Mastercard, Inc., Class A	3.93
Netflix, Inc.	3.53
salesforce.com, Inc.	3.33
Visa, Inc., Class A	3.31
Boeing Co.	3.15
Facebook, Inc., Class A	3.07
Alibaba Group Holding, Ltd., ADR	2.99
<b>Percentage of total portfolio</b>	<b>38.90</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>\$87.92 (B)</b>
Weighted Average Market Cap	<b>\$302.38 (B)</b>

**B** = Billions

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. There are no sales charges for Class R6 shares. Class R shares are available only to eligible retirement plans.**

**The gross expense ratio for this fund is 0.87% for Class R6 shares. The net expense ratios for this fund is 0.87% for Class R6 shares. 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.

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.

Growth stocks can be volatile and experience sharp price declines and certain types of stocks can be extremely volatile and subject to greater price swings than the broader market. Equities are subject to market risk meaning that stock prices in general may decline over short or extended periods of time.

**Mutual funds are subject to market risk, including the 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 go to [www.transamerica.com](http://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.**

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, Inc. (TCI) member of FINRA.

TAM and Jennison Associates LLC are not affiliated companies.

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### Total Return Performance (%)

	3 MO	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception*
Class R6 (at NAV)	6.71	18.24	26.57	20.10	N/A	N/A	15.94
Russell 1000® Growth Index	9.17	17.09	26.30	20.55	N/A	N/A	–

\*Average Annual Total Return

### Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011
Class R6 (at NAV)	36.42	-1.09	N/A	N/A	N/A	N/A	N/A
Russell 1000® Growth Index	30.21	7.08	N/A	N/A	N/A	N/A	N/A