

TRANSAMERICA CAPITAL GROWTH

A | IALAX | 11/13/2009 C | ILLX | 11/13/2009 I | TFOIX | 11/30/2009

INVESTMENT OBJECTIVE

The fund seeks to maximize long-term growth.

KEY FACTS

Investment Manager Transamerica Asset Management, Inc. (TAM)

Morningstar Category Large Growth

Lipper Category Large-Cap Growth

Dividend Frequency Annually

Primary Benchmark Russell 1000® Growth Index

SUB-ADVISER

Morgan Stanley Investment Management

Morgan Stanley Investment Management Inc. (MSIM)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

Large cap growth stocks, as measured by the Russell 1000® Growth index, advanced during the quarter, with financials the best performing sector. All sectors advanced over the period, with the exception of energy, which was the relative laggard in the index. Transamerica Capital Growth outperformed the Russell 1000® Growth Index due to favorable stock selection, which more than offset the overall adverse impact of sector allocations.

FUND OVERVIEW

Information Technology drove the majority of the fund's outperformance this quarter, largely due to favorable stock selection. Several of the portfolio's holdings in the software-as-a-service area were again among the portfolio's top contributors this quarter, including Okta, Inc. (1.48% as of 6/30/19) and Coupa Software, Inc. (2.57%). Software-as-a-service providers broadly have benefited from a generally strong demand environment, as enterprises continue to embark on digital transformation projects and employ cloud-based solutions to modernize their software and technology infrastructure. Health care was the second greatest contributing sector, as strong stock selection offset the adverse impact of a sector overweight position. Veeva Systems, Inc, which provides cloud-based software solutions to life sciences companies, was the top contributor in the sector and the second greatest across the portfolio. This quarter the company continued to report solid fundamentals, and also announced a large platform deal with its clinical documentation product, which further buoyed investor sentiment. Within health care the strength in these holdings was partly offset by weakness in Convetrus Inc. (1.22%) which was the greatest detractor across the portfolio. Shares of Covetrus Inc. which provides animal health related technology solutions and services to veterinarians, declined due to weakness in its animal health distribution business as well as the departure of a senior executive. Stock selection and a sector underweight in industrials also contributed, to a lesser extent. Conversely, consumer discretionary was the top detractor in the portfolio this quarter, due to mixed stock selection. Farfetch Ltd. (1.16%), a London-based global online marketplace for luxury goods, was the greatest detractor in the sector and the fourth greatest across the fund. Its shares languished due to reported mixed financial results. Communication services also detracted, to a lesser extent, due to mixed stock selection which more than offset the favorable impact of a sector overweight position. Lastly, the fund's lack of exposure to financials also impeded relative performance, while consumer staples, energy, materials, and real estate - all sectors the fund has no exposure to - each had a negligible impact on relative performance over the quarter.

OUTLOOK

The MSIM Counterpoint Global Team believes having a market outlook can be an anchor. The team's focus is on assessing company prospects over a five year horizon, and owning a portfolio of unique companies whose market value they believe can increase significantly for underlying fundamental reasons.

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.

TRANSAMERICA CAPITAL GROWTH

as of 06/30/2019

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class A (at NAV)	7.33	27.19	14.37	25.55	16.75	-	17.35
Class I (at NAV)	7.40	27.35	14.67	25.89	17.07	-	18.06
Class A (at POP)	1.44	20.18	8.07	23.20	15.44	-	16.65
Russell 1000® Growth Index	4.64	21.49	11.56	18.07	13.39	16.28	-

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 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. Performance for other share classes will vary.

FEES (%)

	A	C	I
Gross Expense Ratio	1.19	1.93	0.94
Net Expense Ratio	1.19	1.93	0.94

The Max Sales Charge for Class A shares is 5.50%. There are no sales charges for 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 minimum investment for Class I shares is \$1,000,000 per fund account, but will be waived for certain investors.

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 03/01/2020.

CONTRIBUTORS & DETRACTORS (%)

Leading Contributors	Contribution	Weight	Return
Shopify Inc A	1.87	4.93	45.86
Veeva Systems Inc Class A	1.69	6.77	27.79
Okta Inc A	0.91	2.41	49.29
Leading Detractors	Contribution	Weight	Return
Intuitive Surgical Inc	-0.35	4.69	-8.07
Farfetch Ltd Class A	-0.36	1.34	-22.71
Covetrus Inc	-0.44	1.49	-23.20

Source: Morningstar Direct

TOP 10 HOLDINGS (%)

Amazon.com, Inc.	7.44
Illumina, Inc.	5.20
Intuitive Surgical, Inc.	4.89
Twilio, Inc., Class A	4.68
Veeva Systems, Inc., Class A	4.57
Shopify, Inc., Class A	4.55
Spotify Technology SA	4.52
Twitter, Inc.	4.20
Uber Technologies, Inc.	3.51
Slack Technologies, Inc., Class A	3.42
Total	46.98

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 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.

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 three 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 go to 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.

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