

# TRANSAMERICA CONCENTRATED GROWTH

A | TORAX | 03/01/2014 C | TCCGX | 03/01/2014 I | TOREX | 12/31/2010

## INVESTMENT OBJECTIVE

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

## 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

**TORREY LLC**

Torrrey LLC (Torrrey)

## PORTFOLIO MANAGERS

Nicholas C. Haffenreffer

## MACROECONOMIC OVERVIEW

First quarter equity returns were among the best in a decade, delivering a welcome recovery from the prior quarter's sharp correction. A key source of the market's rebound was an unusual policy reversal from the U.S. Federal Reserve (Fed) in which the board indicated it would return to a data dependent stance rather than continue to raise rates in a formulaic manner. While economic growth remained moderate and geopolitical uncertainty high, investors celebrated the policy reversal. Late cycle forecasts and caution remain the consensus view, but there are few signs a recession is imminent.

## FUND OVERVIEW

During the first quarter, Transamerica Concentrated Growth outperformed its benchmark, returning 16.48% compared to the Russell 1000® Growth Index's increase of 16.10%. Security selection was positive for the quarter while allocation was modestly negative. Industrials, real estate and information technology were the fund's best performing sectors; financials, materials and energy were the laggards. Relative to the benchmark, the fund's selections in the health care and industrial sectors made the largest contributions to returns, while an overweight allocation to the Health Care sector and an average cash position of 3.20% detracted from relative returns. At the security level, top contributors included SS&C Technologies Holdings, Inc., Danaher Corp., and American Tower Corp. Primary detractors were Centene Corp. (2.85% as of 3/31/19), Albemarle Corp. (2.34%), and Genmab A/S (2.14%). Torrrey purchased Genmab Corp. and sold LKQ Corporation (0.00%) during the quarter. Genmab Corp. is a \$10 billion Danish biotech company with two approved cancer drugs generating approximately \$500 million in annual sales. Torrrey believes the company will sustain strong revenue growth in excess of 20% annually over the next three to five years as Genmab Corp.'s drugs are used earlier and longer in the treatment of several forms of cancer. The company's lack of economic sensitivity and the stock's low correlation to the portfolio's existing positions also holds appeal. LKQ Corporation, a leading supplier of replacement and aftermarket auto parts was sold based on operational challenges overseas and diminishing economic returns associated with industry consolidation. At the close of the quarter, the fund held 29 positions, the top 10 constituting 42.94% of the portfolio with a cash position of 1.43%. Information technology and health care were the two largest sector weights at 33.39% and 26.60%, respectively. Compared to the benchmark, the largest sector overweights were health care and materials; the largest underweights were communication services and consumer discretionary.

## OUTLOOK

The Fed's first quarter policy reversal represented something of a pause in the market's transition from a liquidity-driven market to a fundamentally-driven market. Torrrey continues to believe this inevitable transition will be associated with elevated volatility as full valuations, moderate economic growth, and geopolitical uncertainty leave little room for error. Given this backdrop, Torrrey believes the fund's focus on stable growth businesses, diversification and valuation discipline position it well for such an environment where risk management is key to absolute and relative returns.

**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 CONCENTRATED GROWTH

as of 03/31/2019

## AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class I (at NAV)	16.48	16.48	14.24	13.45	9.57	-	12.04
Class A (at NAV)	16.44	16.44	13.87	13.09	9.28	-	8.91
Class A (at POP)	10.06	10.06	7.60	10.98	8.05	-	7.70
Russell 1000® Growth Index	16.10	16.10	12.75	16.53	13.50	17.52	-

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](http://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	1.20	1.86	0.87
Net Expense Ratio	1.20	1.86	0.87

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
SS&C Technologies Holdings Inc	1.34	3.60	41.42
Danaher Corp	1.28	4.61	28.19
American Tower Corp	1.05	4.30	24.57
Leading detractors	Contribution	Weight	Return
USTREAS T-Bill Auction Ave 3 Mon	0.01	2.97	0.62
Genmab A/S ADR	0.00	0.82	0.14
Centene Corp	-0.28	3.45	-7.89

Source: Morningstar Direct

## TOP 10 HOLDINGS (%)

Danaher Corp.	5.01
American Tower Corp., REIT	4.59
Verisk Analytics, Inc.	4.50
Cooper Cos., Inc.	4.37
Visa, Inc., Class A	4.32
Microsoft Corp.	4.17
Fiserv, Inc.	4.05
Apple, Inc.	4.04
Roper Technologies, Inc.	3.96
SS&C Technologies Holdings, Inc.	3.93
<b>Total</b>	<b>42.94</b>

Holdings 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. The Fund may be more concentrated than that of a more diversified fund, subjecting it to greater fluctuation and risk. 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](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.**

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