

Transamerica Large Cap Value

A | TWQAX | 11/15/2010 **C** | TWQCX | 11/15/2010 **I** | TWQIX | 11/15/2010

Investment objective

The fund seeks long-term capital appreciation.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Large Value

Lipper Category

Large-Cap Value Funds

Dividend Frequency

Annually

Benchmark

Russell 1000® Value Index

SUB-ADVISER



GREAT LAKES ADVISORS
A WEALTHTRUST WEALTH MANAGEMENT COMPANY

Great Lakes Advisors LLC (Great Lakes)

PORTFOLIO MANAGERS

Paul Roukis, CFA

Jeff Agne

MACROECONOMIC OVERVIEW

Equity markets whipsawed during the first quarter of 2025 following a broad-based inflection in investor sentiment. Indeed, investor optimism quickly eroded against the backdrop of perceived “self-inflicted” Washington policy that created broad economic and geopolitical uncertainty. Within a span of six weeks, the market went from concerns about pro-cyclical fiscal measures reigniting the “animal spirits” of the U.S. economy to an environment where a collapse in consumer and corporate confidence resurrected talks of recession, which was a low probability event just a few months ago. At the same time the pendulum began to swing in our nation’s capital, the equity markets were treated with a potential breakthrough in technology from DeepSeek, a China-based Artificial Intelligence (AI) company, which took the wind out of the sails of the “U.S. Exceptionalism” trade. The announcement triggered an unwind in some of the most popular trades in recent years and called into question the near-term AI impacts on efficiency and economic growth.

FUND OVERVIEW

For the quarter, Transamerica Large Cap Value underperformed the Russell 1000® Value benchmark on both a gross-and-net-of-fees basis. The under-performance relative to the benchmark was mainly driven by negative sector allocation as stock selection was close to neutral. From a sector standpoint, the rotation to perceived defensive, high dividend-yielding stocks detracted from results, as our overweight to healthcare was not sizable enough to offset our underweights to telecommunications, consumer staples and utilities. On the stock selection side, our holdings in technology, manufacturing and transportation detracted from performance, though were partially offset by strong selection in healthcare, real estate, and consumer services. Following a relatively “uneventful” January, which saw our strategy modestly outperform the benchmark, equity markets abruptly shifted course in February, leading to a backdrop that was challenging to our investment process for the balance of the quarter. What made this period somewhat unusual was that the macro backdrop was not characterized by a risk-on, speculative-driven rally, which has typically been the environment associated with our past underperformance. Rather, the headwinds were generally caused by a rotation from the multi-year winners to the laggards, which included an indiscriminate embrace of defensive, high dividend yielding stocks. Interestingly, for many of our worst performing stocks during the quarter, there was little change to their go-forward operating fundamentals. (at least to that point).

OUTLOOK

The U.S. economy is at a crossroads. US gross domestic product (GDP) growth ended 2024 in a good place at 2.4% and corporate profits in an even better place. Expectations were for the U.S. economy to continue to sustain a healthy pace of 2%-2.5% growth in 2025, with many investors taking the over given the positive effects of anticipated tax cuts and de-regulation. Corporate profits were projected to increase roughly 14% to start the year, with expected tailwinds of moderating inflation and supportive Federal Reserve monetary policy. This goldilocks baseline helped to support a solid rally in U.S. equities during January, before sentiment swiftly changed. The direction of U.S. equities will largely be dependent on the ability of U.S. consumers and businesses to overcome: (1) the effects from tariffs, which are taxes for all those involved in commerce, (2) a broad-based pullback in fiscal spending from unsustainable levels, and (3) a paralysis in boardrooms from impulsive policy changes that influence capital investment. Ideally, in our view, tariffs would be implemented at a more measured pace, which would reduce the chances of reigniting inflation and provide time for companies to readjust business models; this is not the case, at least for now.

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.

Average annual total returns and expense ratios (%)

	3M	YTD	1 YR	3 YRS	5 YRS	10 YRS	Inception	Gross	Net
Class A (at NAV)	1.26	1.26	5.22	7.43	19.00	8.78	10.66	0.99	0.99
Class I (at NAV)	1.37	1.37	5.62	7.87	19.44	9.15	11.05	0.72	0.63
Class A (at POP)	-4.34	-4.34	-0.54	5.43	17.65	8.17	10.23	0.99	0.99
Russell 1000® Value Index	2.14	2.14	7.18	6.64	16.15	8.79	-	-	-

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.

The Max Sales Charge for Class A shares is 5.50%. There are no sales charges for Class I shares. 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 3/1/2026.

Top 10 holdings (%)

JPMorgan Chase & Co.	4.34
Exxon Mobil Corp.	3.82
Wells Fargo & Co.	3.57
Abbott Laboratories	3.24
Blackrock, Inc.	3.09
Hartford Insurance Group, Inc.	3.08
Intercontinental Exchange, Inc.	3.01
RTX Corp.	2.98
AbbVie, Inc.	2.86
UnitedHealth Group, Inc.	2.75
Total	32.74

Holdings and weights are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities).

Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
AbbVie Inc	0.50	2.86	19.04
Abbott Laboratories	0.44	2.89	17.90
Cencora Inc	0.44	1.97	24.05
Leading Detractors	Contribution	Weight	Return
Quanta Services Inc	-0.48	2.17	-19.55
Broadcom Inc	-0.50	1.63	-27.56
Delta Air Lines Inc	-0.59	2.03	-27.75

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*Average portfolio weight for each security during the course of the quarter, calculated using daily holdings.

**The return for each security corresponds to the portion of the quarter when the fund held the security.

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The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the equity securities owned by the fund fall, the value of the fund will decline. Value approach carries the risk that the market will not recognize a security's intrinsic value for a long time or that an undervalued stock is actually appropriately priced. 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 two 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 visit 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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