

## Transamerica Capital Growth

**A** | IALAX | 11/13/2009   **C** | ILLIX | 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

Multi-Cap Growth Funds

#### Dividend Frequency

Annually

#### Benchmark

Russell 1000® Growth Index

### SUB-ADVISER

**Morgan Stanley**

**Investment Management**

Morgan Stanley Investment Management Inc. (MSIM)

#### PORTFOLIO MANAGERS

Dennis P. Lynch

Sam G. Chainani, CFA

Jason C. Yeung, CFA

David S. Cohen

Armistead B. Nash

Alexander T. Norton

### MACROECONOMIC OVERVIEW

Large cap growth equities declined quarter to date. Consumer Discretionary and Information Technology underperformed, while Energy and Real Estate outperformed the benchmark.

### FUND OVERVIEW

Transamerica Capital Growth underperformed the index due to unfavorable stock selection. Underperformance was driven by unfavorable stock selection in Communication Services and Financials. Top detractors included Trade Desk (0.00% as of 3/31/2025), Tesla (6.98%), and Affirm (4.83%). Top detractor Trade Desk, which sells a software suite enabling digital marketers to better manage their ad spend across channels, underperformed due to weaker than expected sales growth and a lower near-term profit outlook. We believe the miss is largely due to the slower rollout of the company's new buying portal Kotai, and more broadly mis-execution. Detractor Tesla declined on weaker than expected sales, which many attribute to growing competition from Chinese EV makers and to an extent, some political backlash against buying Tesla vehicles due to Elon Musk's involvement in DOGE. While we believe there is some anecdotal evidence for both, we believe the largest driver of weak sales is the company's change over in its Model Y – which led production lines to be down, reducing production and sales potential during the quarter. We continue to believe Tesla is well positioned to benefit from the secular transition towards greater adoption of electric vehicles and sustainable energy. We also believe there is additional optionality for shareholders stemming from its Full-Self Driving (FSD), robotics, and charging station technologies, which can be further monetized over time. Conversely, stock selection in Information Technology and Consumer Discretionary contributed most to relative performance. Top contributors included Royalty Pharma (4.79%), MercadoLibre (6.15%), and DoorDash (7.49%). Top contributor Royalty Pharma is one of the largest buyers of biopharmaceutical royalties and a leading funder of innovation across academic institutions, non-profits, biotechnology, and pharmaceutical companies. We believe the company benefits from intellectual property and brand related competitive advantages, and is well positioned due to the growing capital needs for biotechnology companies, complexity of innovation, and the overall secular trends leading to higher demand for drugs and effective treatment therapies. The company is a leader in the royalty acquisition space and we expect them to maintain their dominance due to deep industry experience and connections. Its shares held up during the quarter on account of solid results, a near-term outlook which beat consensus expectations, and the announcement of a \$3bn share repurchase program. MercadoLibre, the largest internet marketplace in Latin America, outperformed due to strong execution and healthy results characterized by strong revenue growth and cost discipline leading to margin expansion. We believe MercadoLibre is well positioned as consumers further adopt internet enabled commerce to gain access to unique inventory and competitive pricing, while merchants benefit from a growing buyer base. The company is also poised to capture more of the ecommerce value chain through its payments, advertising and logistics services.

### OUTLOOK

The investment team believes having a market outlook can be an anchor. The team focuses 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.**

Average annual total returns and expense ratios (%)

	3M	YTD	1 YR	3 YRS	5 YRS	10 YRS	Inception	Gross	Net
Class A (at NAV)	-10.31	-10.31	20.46	1.04	10.48	11.60	13.53	1.16	1.11
Class I (at NAV)	-10.24	-10.24	20.79	1.40	10.81	11.92	14.08	0.83	0.82
Class A (at POP)	-15.25	-15.25	13.85	-0.85	9.24	10.97	13.11	1.16	1.11
Russell 1000® Growth Index	-9.97	-9.97	7.76	10.10	20.09	15.12	-	-	-

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](https://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 (%)

Cloudflare, Inc., Class A	11.11
DoorDash, Inc., Class A	7.49
Tesla, Inc.	6.98
Shopify, Inc., Class A	6.60
MercadoLibre, Inc.	6.15
MicroStrategy, Inc., Class A	6.07
Aurora Innovation, Inc.	4.86
Affirm Holdings, Inc.	4.83
AppLovin Corp., Class A	4.80
ROBLOX Corp., Class A	4.79
Total	63.68

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**
ROYALTY PHARMA PLC CL A COMMON STOCK	0.74	3.93	22.03
MercadoLibre Inc	0.71	5.40	14.73
DoorDash Inc Ordinary Shares - Class A	0.57	7.04	8.95

Leading Detractors	Contribution	Weight	Return
Affirm Holdings Inc Ordinary Shares - Class A	-1.43	5.23	-25.80
The Trade Desk Inc Class A	-2.91	3.89	-54.40
Tesla Inc	-3.38	7.65	-35.83

Source: Morningstar Direct. ©2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

\*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.

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® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group companies. Returns on growth stocks may not move in tandem with return on other categories of stocks or the market as a whole. Growth stocks typically are particularly sensitive to market movements and may involve larger price swings because their market prices tend to reflect future expectations. 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 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](https://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, LLC, member FINRA. Transamerica Companies and MSIM are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

© 2025 Transamerica Corporation. All Rights Reserved.