

Transamerica Asset Allocation - Conservative Portfolio

A | ICLAX | 03/01/2002 C | ICLLX | 11/11/2002 I | TACIX | 11/30/2009

Investment objective

The fund seeks current income and preservation of capital.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Global Conservative Allocation

Lipper Category

Mixed-Asset Target Alloc Consv Funds

Dividend Frequency

Quarterly

Benchmark

Transamerica Asset Allocation - Conservative Portfolio
Blended Benchmark

Sub-Adviser

Goldman Sachs Asset Management

Goldman Sachs Asset Management, L.P. (GSAM)

Portfolio managers

Alexandra Wilson-Elizondo
Siwen Wu

MACROECONOMIC OVERVIEW

Equities and credit markets experienced a robust third quarter of 2025, driven mainly by a notable reduction in trade policy uncertainty, sustained healthy corporate earnings, and the Federal Reserve's (Fed) resumption of its easing cycle. Global equities posted strong gains, with many indices reaching new all-time highs despite a slight early August sell-off triggered by uncertainty surrounding U.S. tariff policy. Emerging markets showing notable strength with the MSCI Emerging Markets index returned approximately 11.0%. Developed markets also saw robust performance, with the S&P 500 gaining 8.1% and the MSCI EAFE Index rising 4.8%. The Russell 2000® Index, a proxy for small-cap stocks, surged 12.4% in the third quarter, outperforming large-cap indices as expectations of lower interest rates and resilient economic activity fueled investor optimism. This risk-on sentiment was significantly influenced by a pivotal shift from the Federal Reserve, which resumed its easing cycle with a 25-basis-point rate cut in September, bringing the federal funds rate to a 4.00%-4.25% range. This decisive policy shift occurred amid conflicting signals from the U.S. economy. While a sharp rebound in Q2 gross domestic product (GDP) growth and robust consumer spending painted a picture of resilience, a cooling labor market was a key factor contributing to the Fed's dovish turn. This policy easing happened even as intellectual property investment exhibited remarkable strength, contributing to the Q2 GDP growth rate of 3.8%. This surge in IP investment, notably driven by Artificial Intelligence (AI)-related capital expenditure, marked the strongest advance since the late-1990s IT boom. In fixed income, the Bloomberg U.S. Aggregate Bond Index posted a gain of around 2.0% for the quarter as U.S. Treasury yields fell on the Fed's action.

FUND OVERVIEW

The Transamerica Asset Allocation – Conservative Portfolio posted positive returns over Q3 2025 and outperformed its blended benchmark (consisting of 65% Bloomberg US Aggregate Bond Index, 35% MSCI World Index) on a net basis (I-Shares). Outperformance was driven by asset allocation while security selection within underlying funds slightly detracted in aggregate. Equities were the driver of returns in the Portfolio, and an overweight allocation to equities relative to fixed income helped performance. Equity returns were mainly driven by US equities, particularly US large cap growth exposures. Off-benchmark emerging markets and small cap equity also posted strong returns for the quarter. Emerging markets performance was largely driven by the Chinese market benefiting from optimism surrounding AI and trade talk progress. Energy infrastructure lagged the broader market for the quarter. Overall, underlying manager security selection modestly detracted from the Portfolio. Within US growth equity, the Transamerica US Growth fund lagged its benchmark by roughly 90 basis points, while the Transamerica Capital Growth fund outperformed and partially offset the impact. In international equity, Transamerica International Equity and International Focus trailed their benchmarks, though International Stock outperformed. Small-cap and mid-cap exposures broadly underperformed their benchmarks. In fixed income, core bond funds generally beat their benchmarks modestly, whereas non-core funds slightly underperformed.

OUTLOOK

The global economy remains resilient despite policy uncertainty. In the United States, growth is expected to slow to about 1% by the fourth quarter, then improve in 2026, supported by healthy household and corporate balance sheets, steady domestic investment, ongoing fiscal support, and AI-driven productivity gains. Even so, Goldman Sachs Asset Management (GSAM) is mindful of downside risks amid recent labor-market softening. Across developed markets, central banks are gradually easing, moving from restrictive toward more neutral stance. The path for interest rates is still wide given persistent inflation pressures and perceived fragility in labor dynamics. GSAM believes that a flexible, multi-asset approach gives investors the appropriate diversification to navigate opportunities and uncertainty in this environment.

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	1YR	3YRS	5YRS	10YRS	Inception	Gross	Net
Class A (at NAV)	3.75	10.23	8.12	10.89	4.59	5.22	5.19	1.04	1.04
Class I (at NAV)	3.97	10.54	8.55	11.28	4.97	5.53	5.54	0.82	0.72
Class A (at POP)	-1.99	4.20	2.18	8.80	3.41	4.62	4.94	1.04	1.04
Transamerica Asset Allocation - Conservative Portfolio Blended Benchmark	3.84	10.08	7.83	11.30	4.71	5.87	-	-	-

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 5.5%. 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 (%)

Transamerica Core Bond, Class I2	36.88
Transamerica US Growth, Class I2	11.40
Transamerica Bond, Class I2	10.58
Transamerica Large Cap Value, Class I2	10.23
Transamerica Bond, Class R6	3.94
Transamerica International Equity, Class I2	3.73
Transamerica Inflation Opportunities, Class I2	3.29
Transamerica International Stock, Class I2	3.20
Transamerica Long Credit, Class I2	1.95
Transamerica Emerging Markets Debt, Class I2	1.75
Total	86.95

Holdings and weights are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities). Each portfolio allocates its assets among Class I2 shares of various underlying funds of Transamerica Funds. Not all classes are available to investors.

Asset allocation (%)

U.S. Fixed Income Funds	57.86
U.S. Equity Funds	27.43
International Equity Funds	10.05
International Fixed Income Funds	2.38
Net Other Assets (Liabilities)	1.58
U.S. Mixed Allocation Funds	0.70

U.S. allocations may include U.S. territories and possessions. The Net Other Assets (Liabilities) category may include, but is not limited to, repurchase agreements, reverse repurchase agreements, security lending collateral, forward foreign currency contracts, and cash collateral.

The Transamerica Asset Allocation-Conservative Portfolio Blended Benchmark (consists of Bloomberg US Aggregate Bond Index, 65% and MSCI World Index, 35%) is an unmanaged index used as general measures 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.

Asset allocation and diversification do not assure or guarantee better performance, cannot eliminate the risk of investment losses, and do not protect against an overall declining market. Fees associated with a fund-of-funds may be higher than with other funds. An investment in the Fund is subject to the risks associated with the underlying funds, including fixed income investing. Fixed-income securities are subject to risks including credit risk, interest rate risk, counterparty risk, prepayment risk, extension risk, valuation risk, and liquidity risk. Investments in small-and medium-sized companies present additional risks, such as increased volatility, because their earnings are less predictable, their share price more volatile, and their securities less liquid than larger or more established companies. Investing internationally, globally, or in emerging markets exposes investors to additional risks and expenses such as changes in currency rates, foreign taxation, differences in auditing and other financial standards not associated with investing domestically.

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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