

Transamerica Asset Allocation Long Horizon

R | TALRX | 05/19/2017 R4 | TALFX | 09/11/2000

Investment objective

The fund seeks to provide long-term returns from growth of capital and growth of income.

Key facts

Morningstar Category
Global Aggressive Allocation

Lipper Category
Mixed-Asset Target Alloc Agg Gro Funds

Dividend Frequency
Quarterly

Benchmark
Transamerica Asset Allocation Long Horizon Blended Benchmark

Investment Manager

 Transamerica™
Transamerica Asset Management, Inc. (TAM)

Portfolio managers

Christopher A. Staples, CFA
Kane Cotton, CFA
Rufat Garalov, CFA

MACROECONOMIC OVERVIEW

Equity markets advanced with little interruption in the third quarter, with U.S. and non-U.S. markets experiencing gains. The S&P 500® Index of large cap stocks gained 8.12% in the quarter, while small caps, as represented by the Russell 2000® Index, gained 12.39%. Equities were supported by continued positive momentum in corporate earnings growth as well as a rebound in Q2 gross domestic product (GDP) to 3.8%. This followed a negative print in Q1, driven primarily by a surge in imports in advance of tariffs. Risk taking was also rewarded in fixed income in the quarter, as returns were positive for bonds. Interest rates declined and credit markets remained healthy. The broad, high quality fixed income market, as measured by the Bloomberg US Aggregate Bond Index, returned 2.03%, while riskier non-investment grade fixed income, represented by the ICE BofA US High Yield Index returned 2.40%. Much economic commentary in Q3 focused on the U.S. Federal Reserve (Fed). Between President Trump's public pressure on certain Fed officials, including Chairman Powell, and speculation as to the timing and magnitude of rate cuts, the Fed was in the spotlight. A weakening jobs market, which saw fewer than 100,000 jobs created in each month from May through August as well as a downward revision of over 900,000 jobs over the past year, pushed the Fed to cut the policy rate by a quarter point in September.

FUND OVERVIEW

Transamerica Asset Allocation Long Horizon invests approximately 90% in equity funds and 10% in fixed income funds. The portfolio is rebalanced based on how much the underlying holdings drift from the strategic target. This is done to maintain the target allocations and to redeploy assets incrementally from outperforming holdings into those that have been weaker in an effort to continually buy low and sell high. All fixed income and majority of equity funds produced positive returns in the third quarter. The best-performing non-money market fixed income fund in the quarter was Transamerica High Yield Bond, which carried a target weight of 2% and returned 2.49%, as credit markets were supported by investors' willingness to embrace riskier sectors within fixed income. The top-performing equity fund was Transamerica Large Growth, driven primarily by a strong rally in faster-growing larger cap stocks. It carried a target weight of 21% and returned 11.06%. Transamerica Mid Growth, with a target weight of 6%, returned -0.05% and was the weakest equity fund in the quarter, due to the sub-advisor's unfavorable stock selection decisions. Transamerica Short Term Bond, which carried a target weight of 0.5% and returned 1.41%, was the weakest fixed income fund during the third quarter of 2025 as it benefitted less from falling rates than other longer maturity fixed income funds.

OUTLOOK

Barring any outside events that may impact markets, Transamerica Asset Management, Inc. (TAM) expects the remainder of 2025 to be dominated by the path of interest rates, inflation and earnings. On the interest rate front TAM expects two more rate cuts by the Fed—one in October and another in December—bringing the policy rate to a range of 3.50% to 3.75%. While TAM expects inflation to remain close to 3% into year end, above the Fed target of 2%, they believe the Fed will continue to cut to support the weakening jobs market. Finally, corporate earnings have continued to enjoy healthy growth, and the consensus of analysts currently estimate double digit earnings growth in both 2025 and 2026. Despite the slowing in the labor market, TAM believes corporate earnings growth and a Fed rate cutting cycle could support equities and credit throughout the remainder of 2025 and into 2026.

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 R (at NAV)	5.25	14.45	16.27	18.98	10.55	-	9.58	1.31	1.29
Class R4 (at NAV)	5.31	14.56	16.56	19.22	10.82	10.08	5.52	1.07	1.04
Transamerica Asset Allocation Long Horizon Blended Benchmark	6.89	16.31	16.06	21.92	13.58	12.25	-	-	-

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. Performance for other share classes will vary.

There are no sales charges for Class R4 or Class R. Class R shares are only available through eligible retirement accounts.

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 International Equity, Class I3	24.27
Transamerica Large Growth, Class I3	22.93
Transamerica Large Value Opportunities, Class I3	21.61
Transamerica Mid Cap Growth, Class I3	5.84
Transamerica Small Cap Value, Class I3	5.45
Transamerica Mid Cap Value Opportunities, Class I3	5.28
Transamerica Small Cap Growth, Class I3	5.27
Transamerica Core Bond, Class I3	3.79
Transamerica Inflation Opportunities, Class I3	3.09
Transamerica High Yield Bond, Class I3	1.93
Total	99.46

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

Asset allocation (%)

U.S. Equity Funds	66.37
International Equity Funds	24.27
U.S. Fixed Income Funds	9.29
Money Market Funds	0.12
Net Other Assets (Liabilities)	-0.05

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.

Transamerica Asset Allocation Long Horizon Blended Benchmark (66% Russell 3000® Index, 24% MSCI World Index ex-U.S., 4% Bloomberg US Aggregate Bond Index, 2% Bloomberg US Treasury Inflation Protected Securities Index, 2% ICE BofAML High Yield Master II Index, and 2% ICE BofAML U.S. 3 Month Treasury Bill Index) is an unmanaged index used as 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.

Asset allocation, like many investment strategies, offers no guarantee of positive returns, and mutual funds are subject to market risk, including loss of principal. Global/international stock funds and specialty/sector funds are subject to additional market risks. 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 which is subject to credit risk, inflation risk, and interest rate risk. Investment 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.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, LLC, member FINRA. 1801 California St. Suite 5200, Denver, CO 80202

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