

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 continued to climb a wall of worry in the fourth quarter, with the government shutdown, which ran throughout October and into the second week of November, being the main worry. As with past government shutdowns, markets experienced some volatility but generally remained resilient, focusing more on corporate earnings growth and prospects and less on policy. Corporate earnings growth and the consensus outlook for 2026 remained robust. In response, equities continued to rally in Q4, bringing the S&P 500® Index 2025 calendar year returns to 17.88%. Fixed income markets were also positive in the fourth quarter across Treasuries and corporate credit. The benchmark 10-year US Treasury yield remained in a range between approximately 4.00% - 4.25%, and credit spreads remained tight by historical standards. Although some volatility arose during the government shutdown, fixed income markets were generally unphased and closed both the quarter and full year of 2025 with gains. Due to the government shutdown, economic data releases were postponed, and many reports were just coming out as the quarter came to a close. The data which was released remained decent. While the labor market continued to slow in the quarter, inflation held basically flat. This allowed the Federal Reserve to continue to cut interest rates by 25 bps at each of its last three meetings, bringing the policy rate to a range between 3.5% - 3.75%. The final major report of the year was Q3 GDP, which came in above expectations at an inflation-adjusted annual rate of 4.3%.

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 both 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 funds produced positive returns in the fourth quarter of 2025, while equity funds generated mixed results. 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 1.98%, as credit markets were well supported by investors' willingness to embrace riskier sectors within fixed income. The top performing equity fund was Transamerica International Equity, as overseas equities outpaced domestic stocks and the Fund outperformed its benchmark. It carried a target weight of 24% and returned 6.97%. Transamerica Mid Cap Growth, with a target weight of 6%, returned -4.07% and was the weakest equity fund in the quarter, as growth stock performance trailed that of value stocks. Transamerica Inflation Opportunities, which carried a target weight of 3.3% and returned 0.09%, was the weakest fixed income fund during the last quarter of 2025 as inflation rates remained muted.

OUTLOOK

Looking ahead to 2026, Transamerica Asset Management, Inc. (TAM) expects a generally healthy environment for investors, primarily due to continued strength in corporate earnings growth, an accommodative U.S. Federal Reserve ("Fed") and a lower for longer tax rate environment. On corporate earnings, the Wall Street consensus is for 2026 earnings growth in the mid-teens. Should this occur, it would be the highest earnings growth rate since 2021. In credit markets, corporate credit spreads have remained tight by historical standards, as investor confidence and the desire for attractive yield have continued to support valuations. Both credit markets and equities do not appear cheap by historical standards; however, they have continued to be well supported by earnings growth and strong balance sheets. On the policy front, both fiscal policy (i.e., legislative) and monetary policy (i.e., the Fed) appear poised to support growth in 2026. On the legislative front, corporate tax rates will remain low into the new year due to the passage of the One Big Beautiful Bill Act, supporting corporate profitability in the year ahead. The Fed is also expected to continue to ease the policy rate in 2026, providing further support to the economy, and by extension markets.

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)	0.74	15.30	15.30	16.12	7.45	-	9.38	1.31	1.29
Class R4 (at NAV)	0.80	15.48	15.48	16.35	7.72	9.77	5.50	1.07	1.04
Transamerica Asset Allocation Long Horizon Blended Benchmark	2.94	19.73	19.73	19.67	11.34	12.02	-	-	-

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://www.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	24.16
Transamerica Large Growth, Class I3	22.14
Transamerica Large Value Opportunities, Class I3	21.82
Transamerica Mid Cap Growth, Class I3	5.80
Transamerica Small Cap Value, Class I3	5.72
Transamerica Mid Cap Value Opportunities, Class I3	5.44
Transamerica Small Cap Growth, Class I3	5.36
Transamerica Core Bond, Class I3	3.85
Transamerica Inflation Opportunities, Class I3	3.12
Transamerica High Yield Bond, Class I3	1.99
Total	99.40

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	66.28
International Equity Funds	24.16
U.S. Fixed Income Funds	9.45
Money Market Funds	0.12
Net Other Assets (Liabilities)	-0.01

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](https://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.

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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