

Transamerica Intermediate Muni

A | TAMUX | 10/31/2012 **C** | TCMUX | 10/31/2012 **I** | TIMUX | 10/31/2012

Investment objective

The fund seeks to maximize total return through a combination of current income that is exempt from federal income tax and capital appreciation.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Muni National Interm

Lipper Category

Intermediate Municipal Debt Funds

Dividend Frequency

Daily

Benchmark

Bloomberg Muni Managed Money Intermediate Index

SUB-ADVISER



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MACROECONOMIC OVERVIEW

For Q1 2025, Munis returned -0.22%, as reflected by the Bloomberg Municipal Bond Index. The 10-year Muni/UST ratio ended the quarter at 79%, up from the 67% ratio at the end of the 2024. During Q1, \$111 billion in municipal bonds were issued, up 22% from Q1 2024. Of that, \$87 billion was tax-exempt, up 15% from Q1 2024. Fund inflows for all-term municipals was \$9.8B in total over Q1. Tax-Exempt credit spreads increased slightly toward the end of Q1. 10-year AA bonds were trading 0.11% higher than AAAs, 0.01% wider over the quarter, while 10-year A rated bonds widened 0.03% to 0.35% over AAAs and 10-year BBB bonds widened 0.05% to 0.85% over AAAs. BBB spreads are still well below the 30-year historical average of 1.30%. Notably, the tax-exempt yield curve steepened significantly over the quarter. 1 year tax-exempt yields decreased by 0.20% while 30 year tax-exempt yields increased by 0.38%. This was a much larger move than in treasuries, which saw about 0.25% of steepening from 3 to 30 year. The steepness of the tax-exempt curve is caused by tepid fund flows on the long end, and heavy interest from SMAs, mostly 12 years and in. The real story for municipal bonds is policy-related. As several changes potentially affecting global bonds as well as state and government bonds were floated in Washington, various fixed income markets experienced volatility. For US treasuries, amidst the tariff talks, the 10-year U.S. Treasury lost 0.40% of yield alongside a slide in US equities. As uncertainty increased in the risk markets, treasuries were temporarily seen as a safe-haven. In municipals, rumors about the changing of tax-exemption laws swirled around the market, leading several issuers to try to take advantage of the exemption ahead of any news and also leading some buyers to adjust their palates for different credits and sectors.

FUND OVERVIEW

Transamerica Intermediate Muni returned -0.32% for the quarter, underperforming its benchmark, the Bloomberg Muni Managed Money Intermediate Index, which returned -0.10%. The fund's effective duration currently stands at 6.40 years, slightly longer than 6.33 years as of end of Q4 2024. By end of Q4 2024, the fund had successfully moved out of the majority of long 4s, which feature unpredictable convexity. With the added policy uncertainty, the new two-pronged objective is to, first, selectively rejuvenate the fund's exposure to the shorter part of the curve (1-12y) with emphasis on structures that will outperform in the case of a curve steepening, and, second, to continue selling 5% structures on the long end that might have convexity issues in the future. The fund is designed to offer competitive tax-exempt yields within its specified duration. Belle Haven expects the fund to outperform in a falling interest rate environment while lagging in a rising interest rate environment. In the short term, we also expect the fund to outperform in the case of curve flattening and underperform in the case of curve steepening.

OUTLOOK

Going forward, we do know supply is estimated to be elevated in the near-term. For the markets, both tax-exempt and global, which face the headwinds of policy, one can rest assured that volatility will persist, or grow, in the near-term. During times like this, Belle Haven becomes very optimistic and look forward to some of the best opportunities likely to be seen for years-on-end. This is a great time to put money to work in municipal bonds.

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)	-0.38	-0.38	1.76	0.74	0.54	1.77	2.91	0.78	0.68
Class I (at NAV)	-0.32	-0.32	1.95	0.95	0.73	1.92	3.04	0.58	0.49
Class A (at POP)	-3.63	-3.63	-1.55	-0.38	-0.12	1.43	2.63	0.78	0.68
Bloomberg Muni Managed Money Intermediate Index	-0.10	-0.10	0.38	1.43	0.66	1.87	-	-	-

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 3.25%. 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 (%)

City of Chicago Waterworks Revenue, Series A, 5.50%, due 11/01/2062	1.60
New York City Municipal Water Finance Authority, Series AA, 5.25%, due 06/15/2053	1.07
Indianapolis Local Public Improvement Bond Bank, Series F-1, 5.00%, due 03/01/2058	0.97
Wyandotte County Unified School District No. 500 Kansas City, 5.25%, due 09/01/2055	0.88
New York State Dormitory Authority, Series A, 5.50%, due 07/01/2054	0.84
Isle Wight County Industrial Development Authority, 5.25%, due 07/01/2048	0.77
Kentucky Economic Development Finance Authority, Series A, 5.00%, due 12/01/2045	0.77
Public Finance Authority, Series A-1, 5.50%, due 07/01/2052	0.76
Fishers Town Hall Building Corp., Series A, 5.75%, due 07/15/2058	0.75
Wisconsin Health & Educational Facilities Authority, Series A, 4.00%, due 11/15/2039	0.75
Total	9.16

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

Maturity (%)

0-1 Years	0.96
1-3 Years	1.84
3-5 Years	2.42
5-10 Years	6.86
10-20 Years	24.18
20+ Years	59.36

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 Bloomberg Muni Managed Money Intermediate 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.

The interest from municipal bonds is expected to be exempt from federal income tax. If a fund investor is a resident in the state of issuance of the bonds held by the fund, interest dividends may also be free of state and local income taxes. Such interest dividends may be subject to federal and/or state alternative minimum taxes. Municipal bond prices can rise or fall depending on interest rates. Interest rates may go up, causing the value of the Fund's investments to decline. The municipal bond market can be susceptible to unusual volatility, particularly for lower-rated and unrated securities. All municipal bonds carry credit risk that the issuer will default or be unable to make timely payments of interest and principal. Generally, lower rated bonds carry more credit 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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