

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 Intern

Lipper Category

Intermediate Municipal Debt Funds

Dividend Frequency

Daily

Benchmark

Bloomberg Muni Managed Money Intermediate Index

SUB-ADVISER



Belle Haven Investments, L.P. (Belle Haven)

PORTFOLIO MANAGERS

Max Christiana

Matthew Dalton

MACROECONOMIC OVERVIEW

Municipals posted positive performance in Q4 2025, returning 1.42% as reflected by the Bloomberg Municipal Bond Index. Relative value versus Treasuries richened over the quarter, with the 10-year Muni/UST ratio ending at 66%, down from 70% at the end of Q3 2025. Supply moderated sequentially but remained elevated on a year-over-year basis: \$145 billion of municipal bonds were issued in Q4, down 3% from Q3 2025 and up 15% versus Q4 2024. Of that total, \$131 billion was tax-exempt. 2025 was a record supply year, with gross issuance of \$582 billion and net issuance of \$237 billion. Tax-exempt credit spreads were generally stable to modestly tighter across much of the market, consistent with a gradual “crediting-up” tone. 10-year AA bonds traded roughly 12 basis points (bps) over AAAs. 10-year A-rated spreads tightened 5 bps to 37 bps over AAAs, while 10-year BBB spreads widened slightly by 2 bps to 105 bps over AAAs. BBB spreads remain below the 30-year historical average of approximately 130 bps. The tax-exempt yield curve flattened over the quarter, pushing steepness further out the curve. Notably, 3-year tax-exempt yields rose 14 bps, while 12-year tax-exempt yields fell 25 bps. Long municipals were unchanged over the quarter. This created an unusually steep pocket in the 12–20 year range at year-end, with approximately 94 bps of steepness between the 2038 and 2046 maturities. From a policy and headline perspective, we began to see some higher-profile negative developments. Chicago, IL returned to the spotlight amid renewed attention on pension and budget pressures that were prominent prior to Covid, and spreads there widened accordingly. Separately, the “One Big Beautiful Bill,” which contributed to a selloff in healthcare credits during Q2 2025, has largely moved out of the headlines. Healthcare spreads have subsequently tightened again, despite the bill’s potential longer-term implications.

FUND OVERVIEW

Transamerica Intermediate Muni returned 1.87% for the quarter, outperforming its benchmark, the Bloomberg Municipal Managed Money Intermediate Index, which returned 1.66%. The fund’s effective duration ended the quarter at 5.61 years, up 0.41 years from the end of Q3 2025 and 0.43 years shorter than the index. As noted in last quarter’s commentary, Belle Haven continued to reposition out of longer-dated bonds and actively replenish the 1–17-year portion of the portfolio. This positioning benefited performance during the quarter, as the 12–17 year maturity bucket significantly outperformed, returning 2.66% over the period. Looking ahead, macroeconomic risks appear to cautiously favor curve steepening, with the long end of the municipal curve notably cheaper than the front end. To participate in continued front-end price performance, maintaining exposure to that part of the curve remains important. At the same time, Belle Haven continues to believe that over the long run, yield matters most. As a result, the sub-adviser have structured the fund such that during steepening periods—such as Belle Haven have just experienced—the sub-adviser may lag peers who are heavily concentrated in the front end, in order to maintain a higher yield profile over time. To support this approach, Belle Haven has retained the firms remaining longer positions, keeping the fund’s average effective maturity near 12.41 years, while continuing to make opportunistic purchases in the 12–17-year segment of the curve, which remains unusually steep.

OUTLOOK

After an exceptionally busy 2025, 2026 appears similarly bright. Most supply estimates point to continued heavy issuance in the \$550–\$600 billion range. Now in a more stable interest-rate environment, Belle Haven believes strong coupons, sound structure, and disciplined security selection will be key drivers of performance over the year.

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 I (at NAV) | 1.87 | 3.87 | 3.87 | 4.28 | 0.44 | 2.03 | 3.19 | 0.58 | 0.49 |
| Class A (at NAV) | 1.84 | 3.67 | 3.67 | 4.09 | 0.25 | 1.89 | 3.05 | 0.78 | 0.68 |
| Class A (at POP) | -1.51 | 0.29 | 0.29 | 2.95 | -0.40 | 1.55 | 2.79 | 0.78 | 0.68 |
| Bloomberg Muni Managed Money Intermediate Index | 1.66 | 5.16 | 5.16 | 3.48 | 0.63 | 2.15 | - | - | - |

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. 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 (%)

| | |
|---|-------------|
| New York City Municipal Water Finance Authority, Series AA-6, 2.35%, due 06/15/2048 | 1.29 |
| California Health Facilities Financing Authority, Series A, 5.00%, due 12/01/2035 | 1.05 |
| Southeast Energy Authority A Cooperative District, Series E, 5.00%, due 10/01/2030 | 1.04 |
| Texas Municipal Gas Acquisition & Supply Corp. VI, 5.00%, due 01/01/2036 | 1.03 |
| Isle Wight County Industrial Development Authority, 5.25%, due 07/01/2048 | 0.80 |
| New York State Dormitory Authority, Series A, 5.50%, due 07/01/2054 | 0.76 |
| City of Chicago, Series A, 5.00%, due 01/01/2044 | 0.74 |
| California Enterprise Development Authority, Series A, 5.50%, due 11/01/2059 | 0.73 |
| Public Finance Authority, Series A-1, 5.38%, due 07/01/2047 | 0.70 |
| Illinois Finance Authority, 4.00%, due 10/15/2037 | 0.67 |
| Total | 8.81 |

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 | 1.55 |
| 1-3 Years | 4.09 |
| 3-5 Years | 7.05 |
| 5-10 Years | 21.87 |
| 10-20 Years | 41.90 |
| 20+ Years | 19.81 |

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](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.

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