

Transamerica Asset Allocation Short Horizon

R | TSHRX | 05/19/2017 R4 | TSHFX | 09/11/2000

Investment objective

The fund seeks to provide a high level of income and preservation of capital.

Key facts

Morningstar Category
Intermediate Core-Plus Bond

Lipper Category
Core Bond Funds

Dividend Frequency
Quarterly

Benchmark(s)
Bloomberg US Aggregate Bond Index
Transamerica Asset Allocation Short Horizon Blended
Benchmark

Investment Manager



Transamerica Asset Management, Inc. (TAM)

Portfolio managers

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

MACROECONOMIC OVERVIEW

The second quarter opened in volatile fashion, with equity markets declining rapidly on the announcement of "Liberation Day" tariffs. While markets had been expecting tariffs under the new administration, the broadness and magnitude of the announced tariffs took market participants by surprise. After peaking at 6144 in February, tariff jitters pushed the S&P 500[®] down by almost 20% to 4983 in early April. Fixed income markets also succumbed to volatility, with the benchmark 10-year U.S. Treasury moving in a wide range between about 3.86% and 4.60% in only five trading days in April. As quickly as tariffs were announced, however, they were rolled back. By mid-April, only a couple of weeks after being announced, most tariffs were paused for 90 days, and many of the extremely high rates were rolled back significantly. In response, markets rallied and were able to close at all-time highs by the end of the quarter, bringing the second quarter total return of the S&P 500[®] to 10.94%. This is another reminder to investors that it is usually best to invest based on a long-term strategic plan and not react to the news of the day because it can change on a dime. The economy slowed in Q2 but remained resilient overall. Q1 gross domestic product (GDP) (released in Q2) declined by 0.5%, but major indicators of economic health like inflation, employment, consumer and capital spending remained fairly stable while corporate profits continued to grow.

FUND OVERVIEW

Transamerica Asset Allocation Short Horizon invests approximately 10% in equity funds and 90% 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 equity and fixed income funds produced positive returns in the second quarter. The best-performing non-money market fixed income fund in the quarter was Transamerica High Yield Bond, which carried a target weight of 10% and returned 3.69%, as credit markets were well 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 technology stocks. It carried a target weight of 3% and returned 25.29%. Transamerica Large Value Opportunities, with a target weight of 3%, returned 2.38% and was the weakest equity fund in the quarter, as growth stock performance far exceeded that of value stocks. Transamerica Inflation Opportunities, which carried a target weight of 16.8% and returned 0.77%, was the weakest fixed income fund during the first quarter of 2025 as inflation rates continued their slow and steady decline.

OUTLOOK

The U.S. economy enters 2H 2025 with a good bit more uncertainty than when the year began as tariffs and trade negotiations have taken center stage. The lack of clarity and degree to which proposed tariff rates on numerous nations are used as either a tactical means in negotiations, or longer-term trade policy, has left both consumers and corporations somewhat unsure in terms of financial decision making. This has, in turn, created an economic environment less than optimally prepared to pursue maximum growth. While uncertainty is likely to persist for the remainder of the year, we believe the U.S. economy can maintain positive gross domestic product (GDP) growth of approximately 1.5%, driven by tariff and trade policy resolution, upcoming deregulation, and Federal Reserve rate cuts toward year-end. Transamerica Asset Management, Inc. (TAM) see core rates of inflation holding steady at approximately 2.7%. Netting everything out, they see the environment as modestly favorable for stocks and opportunistic for investment-grade 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	1YR	3YRS	5YRS	10YRS	Inception	Gross	Net
Class R (at NAV)	2.39	3.99	7.08	4.47	1.88	-	2.63	1.12	1.10
Class R4 (at NAV)	2.48	4.13	7.42	4.77	2.14	2.90	4.06	0.88	0.85
Bloomberg US Aggregate Bond Index	1.21	4.02	6.08	2.55	-0.73	1.76	-	-	-
Transamerica Asset Allocation Short Horizon Blended Benchmark	2.32	4.40	7.40	5.04	2.34	3.32	-	-	-

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 Core Bond	43.92
Transamerica Short-Term Bond	17.52
Transamerica Inflation Opportunities	16.83
Transamerica High Yield Bond	10.89
Transamerica Large Growth	3.28
Transamerica Large Value Opportunities	3.18
Transamerica International Equity	2.18
Transamerica Small Cap Value	1.06
Transamerica Small Cap Growth	1.00
Transamerica Government Money Market	0.19
Total	100.05

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. Fixed Income Funds	89.17
U.S. Equity Funds	8.51
International Equity Funds	2.18
Money Market Funds	0.19
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.

The Bloomberg US Aggregate Bond Index, and Transamerica Asset Allocation Short Horizon Blended Benchmark (46% Bloomberg US Aggregate Bond Index, 17% ICE BofAML 1-3 Year U.S. Treasury Index, 15% Bloomberg US Treasury Inflation Protected Securities Index, 10% ICE BofAML High Yield Master II Index, 8% Russell 3000® Index, 2% MSCI World Index ex-U.S. and 2% ICE BofAML U.S. 3 Month Treasury Bill Index) are unmanaged indices 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. “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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