

# Transamerica Asset Allocation - Moderate Portfolio

A | IMOAX | 03/01/2002   C | IMOLX | 11/11/2002   I | TMMIX | 11/30/2009

## Investment objective

The fund seeks capital appreciation and current income.

## Key facts

### Investment Manager

Transamerica Asset Management, Inc. (TAM)

### Morningstar Category

Moderate Allocation

### Lipper Category

Mixed-Asset Target Alloc Moderate Funds

### Dividend Frequency

Annually

### Benchmark(s)

MSCI World Index

Transamerica Asset Allocation - Moderate Portfolio Blended Benchmark

## Sub-Adviser



**Asset  
Management**

Goldman Sachs Asset Management, L.P. (GSAM)

## Portfolio managers

Neill Nuttall

Alexandra Wilson-Elizondo

Siwen Wu

## MACROECONOMIC OVERVIEW

The first quarter of 2025 saw US markets grappling with the new Trump administration's immediate policy focus on tariffs, sparking concerns about economic growth. Additionally, government spending cuts via the Department of Government Efficiency (DOGE) further weakened the growth outlook as the fiscal impulse was no longer expected to be as positive as in recent years. US inflation data surprised slightly to the upside, and given a background of weaker activity data but stable labor market and somewhat higher inflation, the US Federal Reserve (Fed) held policy rates steady but downgraded growth forecasts and upgraded inflation expectations. US equities (SPX) suffered a 4.3% decline, leading a broader 1.8% drop in global developed market equities (MSCI World). Within the US, consumer discretionary (XLY) and technology (XLK) sectors were hit hardest, declining 11.7% and 11% respectively, influenced partly by concerns over tech valuations following DeepSeek's AI model release. Small-cap stocks (Russell 2000) also underperformed, falling 9.5%. Energy (XLE) was a notable exception, gaining 10%. Euro Area equities (Euro Stoxx 50) and emerging market equities (MSCI EM) rallied 7.5% and 2.9% respectively. The divergence in performance was largely a reflection of weaker activity data in the US and better data in Euro Area and China, in addition to expectations of tariff impacts. Within emerging markets, Chinese equities (MSCI China) delivered a strong return of 15% in Q1 '25 on the back of better data and continued policy support from Chinese policymakers. However, this outperformance by Chinese equities came after significant underperformance in Q4 '24. Europe saw a significant fiscal shift towards higher defense spending, spurred by the German election results. In the bond market, the US 10-year U.S. Treasury yield decreased over the quarter whereas other major developed market bond yields were up through Q1 '25, reflecting increased market expectations of rate cuts in the US later this year.

## FUND OVERVIEW

The Transamerica Asset Allocation – Moderate Portfolio posted positive returns over Q1 2025 and performed about in-line with its blended benchmark (50% Bloomberg US Aggregate Bond Index, 50% MSCI World Index) gross of fees and net of fees (I-Shares). Asset allocation versus benchmark was accretive to performance, driven by equity allocation. Balanced exposure to growth and value US equity was beneficial as value materially outperformed growth. An energy infrastructure allocation added to relative performance, and accessing some small cap exposure through international small cap versus fully through US small cap also added to relative returns. Off-benchmark emerging markets equity also returned positively in the overall negative equity environment. Underlying fund manager alpha detracted from performance, coming from both equity and fixed income managers. US equity funds were some of the primary drivers due to the size of allocations to funds like the Transamerica US Growth and Transamerica Large Cap Value Funds which underperformed benchmarks. Transamerica International Focus underperformed its benchmark materially in this environment and was another driver of negative manager alpha. Positive manager performance from the other international equity managers, Transamerica International Equity and Transamerica International Stock Funds, helped to partially offset. Within fixed income, each Fund underperformed their benchmark, adding to overall negative manager alpha.

## OUTLOOK

Goldman Sachs Asset Management sees increased potential for below-trend growth. The latest tariff developments are expected to negatively impact growth, with risks skewed to the downside due to potential indirect effects from tighter financial conditions and weaker business and consumer confidence. Portfolio diversification should help mitigate periods of weakness, and while we expect the short-term market environment to be volatile, volatility also presents potential opportunities. Going forward, in GSAM's view, the financial markets will be focused on the evolution of tariffs imposed by the US along with upcoming activity data. Any news around tax cuts and deregulation in the US would also be in focus and could have a positive impact on market sentiment. Goldman Sachs Asset Management believes that a flexible, multi-asset approach gives investors the appropriate diversification to navigate opportunities and uncertainty in this environment.

**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
<b>Class A (at NAV)</b>	0.52	0.52	5.05	3.68	8.17	4.86	5.46	1.08	1.08
<b>Class I (at NAV)</b>	0.52	0.52	5.38	4.08	8.54	5.16	6.22	0.85	0.75
<b>Class A (at POP)</b>	-5.01	-5.01	-0.70	1.73	6.94	4.27	5.20	1.08	1.08
<b>MSCI World Index</b>	-1.79	-1.79	7.04	7.58	16.13	9.50	-	-	-
<b>Transamerica Asset Allocation - Moderate Portfolio Blended Benchmark</b>	0.52	0.52	6.04	4.17	7.74	5.99	-	-	-

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://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 5.5%. 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 (%)

Transamerica Core Bond	24.90
Transamerica Large Cap Value	15.90
Transamerica US Growth	15.52
Transamerica Bond	10.17
Transamerica International Stock	5.89
Transamerica International Equity	5.11
Transamerica Inflation Opportunities	3.58
Transamerica Emerging Markets Debt	3.33
Transamerica Long Credit	3.08
Transamerica International Focus	1.60
<b>Total</b>	<b>89.08</b>

Holdings and weights are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities). Each portfolio allocates its assets among Class I2 shares of various underlying funds of Transamerica Funds. Not all classes are available to investors.

## Asset allocation (%)

U.S. Fixed Income Funds	43.28
U.S. Equity Funds	36.72
International Equity Funds	14.45
International Fixed Income Funds	3.33
Net Other Assets (Liabilities)	1.15
U.S. Mixed Allocation Funds	1.07

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 MSCI World Index and Transamerica Asset Allocation-Moderate Portfolio Blended Benchmark (consists of Bloomberg US Aggregate Bond Index, 50% and MSCI World Index, 50%) 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. Asset allocation and diversification do not assure or guarantee better performance, cannot eliminate the risk of investment losses, and do not protect against an overall declining market. 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. Fixed-income securities are subject to risks including credit risk, interest rate risk, counterparty risk, prepayment risk, extension risk, valuation risk, and liquidity risk. Investments 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. Investing internationally, globally, or in emerging markets exposes investors to additional risks and expenses such as changes in currency rates, foreign taxation, differences in auditing and other financial standards not associated with investing domestically.

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://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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