

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 Allocation--85%+ Equity

Lipper Category Mixed-Asset Target
Allocation Aggressive
Growth

Dividend Frequency Quarterly

Primary Benchmark S&P 500®

Additional Benchmark Transamerica Asset
Allocation Long Horizon
Blended Benchmark

INVESTMENT MANAGER

**TRANSAMERICA®**

Transamerica Asset Management, Inc. (TAM)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

Risk assets generally continued to advance in Q2 with only a minor interruption as tweets about tariffs caused a temporary sell off. Markets seem to be getting used to the on again/off again rhetoric, however, and the decline was short lived. By the end of the quarter, the S&P 500® had reached new all-time highs. Fixed income investors were more sanguine in the quarter, as U.S. Treasury yields continued to decline with demand for this relative safe haven remaining very strong. By the end of the quarter, the yield on the 10-year U.S. Treasury had fallen to 2%, and this helped longer term fixed income. Credit spreads remained range bound, and returns in credit, while still positive, were weaker than in Q1. On the economic front, there were no major surprises. While the economy continued to grow near 3%, various business metrics cooled somewhat. Among them were global purchasing managers indices and the May jobs report. Overall, however, there were no major surprises in the hard data. The same themes that have been in focus for the past year or two remained in focus: the U.S. Federal Reserve (Fed) and tariffs. After seemingly pushing rates too far too fast, the Fed relented and paused their rate hike campaign, and future expectations have shifted to gauging the likelihood of rate cuts. Little has changed materially on the tariff front, but periodic tit-for-tat threats from both sides have shown their ability to temporarily roil markets.

FUND OVERVIEW

Transamerica Asset Allocation Long Horizon invests approximately 90% in equity funds and 10% in fixed income funds. The fund is periodically rebalanced based on how much the holdings drift from the strategic target to both maintain the target allocations and to redeploy assets incrementally from outperforming holdings to that were weaker in an effort to continually buy low and sell high. The fund's best-performing holding in Q2, with a target weighting of 6%, was Transamerica Mid Cap Growth which gained 8.55%. Transamerica Large Growth, with a target weight of 21%, contributed the most to overall portfolio performance. The top performing fixed income fund was Transamerica Intermediate Bond with a gain of 3.13%. It was also the largest fixed income contributor to fund performance and carried a target allocation of 4%. Small cap stocks struggled in the quarter versus their larger counterparts, and this, in part, caused Transamerica Small Value with a target weight of 6% to be the weakest performing equity fund, gaining 1.45%. The weakest performing fixed income fund, excluding the money market, was Transamerica High Quality Bond with a gain of 1.60% and a target weight of 0.5%.

OUTLOOK

All eyes have been on the Fed since the December 2018 rate hike caused investors to proverbially cry uncle and send risk assets dramatically lower. TAM expects this focus to continue, as we seem to have moved back into a "good news is bad news and bad news is good news" type of environment. The June jobs report was a perfect example of this odd market psychology. When the monthly gains number came in, 224,000 was much stronger than expected. This is good news, right? Of course it is, but markets didn't take it that way, selling off because they had been looking forward and hoping that a weak jobs number might solidify the idea that the Fed would cut rates to stimulate the economy. For TAM's part, they prefer good news to be good news, and looking ahead, forecasts for positive gross domestic product growth and rebounding earnings in the second half of the year give them some degree of hope that we are in a relatively stable economic and business environment and that good news could actually be good news.

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.

TRANSAMERICA ASSET ALLOCATION LONG HORIZON

as of 06/30/2019

ASSET ALLOCATION (%)

U.S. Equity Funds	68.93	Money Market Funds	0.19
International Equity Funds	21.58	Net Other Assets (Liabilities)	-0.03
U.S. Fixed Income Funds	9.33		

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.

FEES (%)

	R	R4
Gross Expense Ratio	1.28	1.04
Net Expense Ratio	1.26	1.01

There are no sales charges for Class R or Class R4. Class R shares are available only to eligible retirement plans. 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 03/01/2020.

AVERAGE ANNUAL TOTAL RETURNS (%)

	3M	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Class R4 (at NAV)	3.33	15.92	3.34	10.53	6.03	10.63	3.85
Class R (at NAV)	3.27	15.77	3.08	-	-	-	7.12
S&P 500®	4.30	18.54	10.42	14.19	10.71	14.70	-
Transamerica Asset Allocation Long Horizon Blended Benchmark	3.97	16.58	7.13	11.93	7.66	11.91	-

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.

TOP 10 HOLDINGS (%)

Transamerica Large Growth	23.70
Transamerica International Equity	21.58
Transamerica Large Value Opportunities	20.81
Transamerica Mid Cap Growth	6.65
Transamerica Small Cap Growth	6.50
Transamerica Mid Cap Value Opportunities	5.85
Transamerica Small Cap Value	5.42
Transamerica Intermediate Bond	3.88
Transamerica Inflation-Protected Securities	3.10
Transamerica High Yield Bond	1.87
Total	99.36

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

The fund acquired the assets and assumed the liabilities of four Transamerica Partners funds, including Transamerica Partners Institutional Long Horizon and Transamerica Partners Institutional Intermediate/Long Horizon (the "predecessor fund"), on May 19, 2017, and the predecessor fund is the accounting and performance survivor of the reorganizations. This means that the predecessor fund's financial and performance history became the financial and performance history of the fund. In the reorganization of the predecessor fund, shareholders of the predecessor fund received Class R4 shares of the fund. The performance of Class R4 shares includes the performance of the predecessor fund prior to the reorganization, and has not been restated to reflect the estimated annual operating expenses of Class R4 shares. Please read the prospectus for more information.

The S&P 500® and Transamerica Asset Allocation Long Horizon Blended Benchmark (66% Russell 3000® Index, 24% MSCI World Index ex-U.S., 4% Bloomberg Barclays US Aggregate Bond Index, 2% Bloomberg Barclays US Treasury Inflation Protected Securities Index, 2% Citigroup 3-Month Treasury Bill Index and 2% ICE BofAML High Yield Master II 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.

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 three 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 go to 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, Inc. (TCI) member of FINRA.

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