

Transamerica Short-Term Bond



Monthly Fund Facts

Bond

Data as of 3/31/10

Fund Highlights

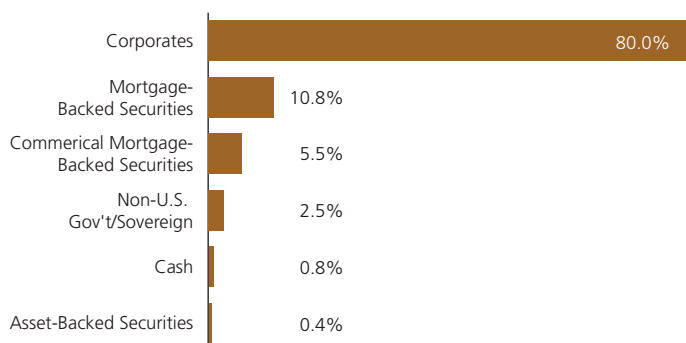
The fund aims to achieve a high level of income consistent with minimal fluctuation in principal value and liquidity.

- Diversified portfolio of short-term and intermediate-term investment grade corporate obligations, obligations issued by the U.S. and foreign governments, mortgage-backed securities, and asset-backed securities.
- Fundamental and research-driven approach to security selection to identify and exploit mispricings in the least-efficient sectors of the fixed-income universe.
- Normally invests at least 80% of its net assets in fixed-income securities.

Portfolio Statistics[†]

Average Price	\$103.71
Weighted Average Life (yrs)	2.04
Effective Duration (yrs)	1.63

Portfolio Breakdown[†]



Quality^{†,1}

AAA	13.4%
AA	6.7%
A	17.6%
BBB	50.0%
BB and Below	10.8%
NR	0.7%
Other	0.8%

General Facts

Ticker Symbols	Class A ITAAX, Class C ITACX, Class I TSTIX
Benchmark Index	Merrill Lynch U.S. Corporate & Government, 1-3 Yrs
Morningstar Category	Short-Term Bond
Lipper Category	Short-Intermediate Investment Grade
Inception Dates	Class A 11/1/07, Class C 11/1/07, Class I 11/30/09
Net Expenses	Class A 0.89%, Class C 1.64%, Class I 0.74%
Gross Expenses	Class A 1.09%, Class C 1.74%, Class I 0.84%
Net Assets	\$2.06 Billion (All Share Classes)
30-day SEC Yield*	3.00% (Class A), 2.33% (Class C), 3.28% (Class I)
Number of Holdings	244
Dividends Frequency	Monthly

* The 30-day SEC yield is computed in accordance with a standardized method prescribed by rules of the SEC. The yield is computed by dividing the fund's investment income per share earned during a particular 30-day base period by the maximum offering price per share on the last day of the base period, and then annualizing the result.

Weighted Average Life[†]

<1 Year	34.8%
1-3 Years	50.4%
3-5 Years	14.8%
5-7 Years	0.0%
7-10 Years	0.0%
10-20 Years	0.0%
>20 Years	0.0%

Total Returns

	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Class A at NAV	2.42%	13.68%	N/A	N/A	N/A	6.37%
Class A at POP	-0.11%	10.80%	N/A	N/A	N/A	5.25%
MLCG 1-3 yrs	0.92%	4.39%	N/A	N/A	N/A	4.65%

All returns as of 3/31/10. *Average annual return.

Risk Measures²

	Fund
R-Squared ³ vs. MLCG 1-3 yrs	0.62
Sharpe Ratio ⁴ vs. Citigroup 3-Month T-bill	7.65
Standard Deviation	1.68

- The performance data presented represents past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Please see TransamericaInvestments.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. Public Offering Price (POP) returns include reinvestment of dividends and capital gains and reflect the maximum sales charge of 2.50%. Performance for other share classes will vary.
- Performance figures may reflect fee waivers and/or expense reimbursements by the Investment Adviser. Without such waivers and/or reimbursements, the performance would be lower. Future waivers and/or reimbursements are at the discretion of the Investment Adviser.
- The Merrill Lynch U.S. Corporate & Government 1-3 Years Index (MLCG) is an unmanaged index used as a general measure of market performance. The Citigroup 3-Month T-bill Index measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues. 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.

Not insured by FDIC or any federal government agency.

May lose value.

Not a deposit of or guaranteed by any bank, bank affiliate, or credit union.

Top Sectors

Financials	41.15%
Mortgage-Backed Securities	13.15%
Energy	8.61%
Materials	8.45%
Consumer Discretionary	5.60%
Asset-Backed Securities	4.35%
Industrials	3.58%
U.S. Gov't Agency Obligation	3.37%
Consumer Staples	3.30%
Foreign Gov't Obligation	2.83%

Top 10 Holdings

Australia Government Bond, 5.25%, 8/15/10	1.65%
SBA CMBS Trust, 5.559%, 11/15/36	1.19%
United Mexican States, 7.50%, 6/21/12	1.18%
Wachovia Corp., 0.589%, 10/28/15	1.03%
HCP, Inc., 5.65%, 12/15/13	1.02%
Delta Air Lines, Inc., 7.57%, 5/18/12	0.99%
Irish Life & Permanent Group Holdings PLC, 3.60%, 1/14/13	0.99%
KCP&L Greater Missouri Operations Co., 11.875%, 7/1/12	0.98%
Fifth Third Bank, 0.360%, 5/17/13	0.97%
Citigroup, Inc., 5.625%, 8/27/12	0.97%

Sub-adviser



The Transamerica Investment Management, LLC (TIM) team-oriented investment decision-making approach emphasizes in-house research and seeks to limit nonsystemic risk. TIM's entrepreneurial investment culture is based on the powerful combination of aggressive peer scrutiny and ultimate individual accountability. TIM is the sub-adviser to this fund.

Portfolio Managers



Greg D. Haendel, CFA

Greg D. Haendel is Principal and Portfolio Manager at TIM. He is the Lead Manager of Transamerica Money Market and Transamerica Short-Term Bond and also manages other mutual funds, subadvised funds, and institutional accounts in other fixed income disciplines. Mr. Haendel holds an M.B.A. in finance and accounting from The Anderson School at UCLA and received a B.A. in economics from Amherst College.



Derek S. Brown, CFA

Derek S. Brown is Director of Fixed Income and Portfolio Manager at TIM. Mr. Brown is a Co-Manager of Transamerica Short-Term Bond. He also manages other mutual funds, subadvised funds, and institutional accounts in other fixed income disciplines. He holds an M.B.A. from Boston College and received a B.A. in communications studies from the University of Maine.

Quarterly Commentary

Economic conditions remained on a positive trajectory during the quarter. U.S. manufacturing levels rose, jobless claims trended downward, consumer spending showed resilience, and the housing market continued to stabilize. Despite higher commodities prices, headline inflation remained tame, and the Federal Reserve (the Fed) kept the federal funds rate unchanged, to further spur near-term economic growth, while increasing the discount rate and allowing emergency stimulus facilities to expire—first steps towards removing excess liquidity from the economy. Against this backdrop, U.S. fixed income markets moved forward unevenly, in response to shifting views on inflation; a glut of Treasury supply; the potential for increased U.S. banking regulations; and concerns about the global economy. Treasury securities posted slight gains. Most spread products outperformed Treasuries, and the BofA Merrill Lynch 1-3 Yr. Government/Corporate Index gained 0.92%.

The Transamerica Short-Term Bond outperformed the index, due to overweighting corporate bonds as yield spreads narrowed and credit curves normalized, and to investments in cell-phone tower commercial mortgage-backed securities and non-agency real estate mortgage investment conduits. We increased our corporate bond weighting, emphasizing regional banks, REITs, insurance companies and industries leveraged to anticipated increases in commodities demand. We also invested in enhanced equipment trust certificate (EETC) bonds backed by commercial aircraft.

We believe economic growth will be moderate, and the federal funds rate will remain unchanged until at least September. Short-term rates should remain relatively stable while long-term rates rise in response to increased Treasury supply and heightened greater concerns about inflation. Managing duration risk is a primary focus.

Shares of the fund may only be sold by offering the fund's prospectus. Investors should consider the investment objectives, risks, charges, and expenses of the fund carefully before investing. The prospectus contains this and additional important information regarding the fund. To obtain a prospectus, please contact your financial professional or go to TransamericaInvestments.com. The prospectus should be read carefully before investing.

The comments contained herein are those of Transamerica Investment Management, LLC (TIM) as of the date hereof and are subject to change without notice. TIM is providing the comments herein as an indicator of the direction TIM's professional staff believes the markets will move but makes no representation that such information will come to pass. TIM makes every effort to ensure that the contents herein have been compiled or derived from sources believed reliable and contain information and opinions that are accurate and complete. However, TIM makes no representation or warranty, express or implied, in respect thereof, nor takes responsibility for any errors and omissions that may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents.

Short-term bond funds are exposed to many of the same risks that longer-term bond funds are subject to, including credit risk, inflation risk, interest rate risk and also foreign securities and mortgage-backed securities risk.

The mutual fund is one in a series of Transamerica Funds which is advised by Transamerica Asset Management, Inc. Transamerica Investments is a distribution unit of Transamerica Capital, Inc. and is not a registered investment adviser or registered investment company. Transamerica Investments is a service mark of Transamerica Capital, Inc.

¹Source: BondEdge® service of Interactive Data Fixed Income Analytics.

²Source: Standards & Poors. Quality represents a percentage of market value.

³Risk statistics are measured based on the Class A shares' monthly returns for the 1-year period as of March 31, 2010. These measures of past risk are not complete or, necessarily, representative measures of future risk and cannot predict a fund's performance. Benchmark-related risk measures are calculated in relation to the Merrill Lynch U.S. Corporate & Government Index.

⁴R-squared reflects the percentage of a fund's movements that are explained by movements in its benchmark index, showing the degree of correlation between the fund and the benchmark. This figure also is helpful in assessing how likely it is that beta is statistically significant.

⁵The Sharpe ratio uses a fund's standard deviation and its excess return (the difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. Standard deviation is a statistical measure of the volatility of the fund's returns.



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