

Transamerica UltraShort Bond

A | TUSBX | 03/31/2023 | TUSFX | 03/31/2023

Investment objective

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

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Lipper Category

Ultra-Short Obligations Funds

Dividend Frequency

Daily

Benchmark

Bloomberg Short-Term Government Corporate Index

SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

PORTFOLIO MANAGERS

Brian Barnhart, CFA

Ryan Baue, CFA

Tyler Knight, CFA

MACROECONOMIC OVERVIEW

The government shutdown brought heightened uncertainty around the economic backdrop in October and November, particularly with the delay of most economic releases. Nonetheless, data released during the quarter eventually painted a benign picture for the US economy. They showed US Gross domestic product (GDP) grew 4.3% in the third quarter after expanding 3.8% in the second quarter. Inflation cooled between September and November, with the consumer price index dropping from 3.0% to 2.7%, respectively, on a year-over-year basis. Meanwhile, the labor market continued to soften. The economy added 64,000 jobs in November but lost 105,000 jobs in October. At its December meeting, the Federal Open Market Committee (FOMC) reduced its benchmark fed-funds rate by 25 basis points (bps) to a range of 3.50% to 3.75%. That marked its third-consecutive meeting rate cut. The FOMC increased its growth forecast for 2026 and signaled just one more rate cut over the next year, implying that further softening of labor market data would likely be a prerequisite to further easing. The U.S. Treasury yield curve steepened during the fourth quarter. The two-year U.S. Treasury yield fell by 13 bps, consistent with the ongoing decline in monetary policy rates. Despite this easing in Fed policy, continued strength in economic data alongside growing budget deficits globally drove long-dated yields modestly higher during the quarter, with the rate on the 30-year Treasury climbing by 11 bps. The Bloomberg US Short-term Government/Corporate Index returned 1.05% in the quarter. Positive returns were driven primarily by a decline in yields, which offset a widening in credit spreads. The yield to worst for the index fell 27 basis points (bps) from 3.99% to 3.72% over the quarter, while the index option-adjusted spread for the corporate component of the index widened 16 bps.

FUND OVERVIEW

Transamerica UltraShort Bond performance relative to the Bloomberg US Short-term Government/Corporate Index benefited from the overweight to credit in the quarter given the additional yield generated by these securities compared to the benchmark, and this positioning was the main driver of relative returns for the period. Credit spread impacts and curve positioning modestly detracted. At a sector level, the largest contributors to the portfolio's relative return were the ex-index allocation to asset-backed securities and selection within investment grade corporate credit. There were no notable detractors at a sector level for the quarter. Within corporate credit, the largest contributors to relative returns were overweight allocations to banking and transportation, along with selections within banking and finance companies. Selection within electric negligibly detracted.

OUTLOOK

The broad trends continue to support our economic "cooling" theme and lend credence to the Fed's pivot to the resumption of interest-rate cuts. The labor market continues to exhibit a slow bleed of low hiring and low firing, which has seen the unemployment rate tick slowly higher. At the same time, various economic indicators continue to show signs of robust economic activity, keeping spreads near their tightest levels. Given the persistence of risks to the economic outlook and elevated valuations, the sub-adviser maintains a cautious risk stance and will continue to manage exposure alongside the evolving outlook.

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)	0.97	4.51	4.51	-	-	-	5.15	0.63	0.35
Class A (at NAV)	0.88	4.05	4.05	-	-	-	4.79	0.89	0.69
Class A (at POP)	0.88	4.05	4.05	-	-	-	4.79	0.89	0.69
Bloomberg Short-Term Government Corporate Index	1.05	4.46	4.46	-	-	-	-	-	-

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 0.00%. 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 (%)

Toyota Auto Loan Extended Note Trust, Series 2022-1A, Class A, 3.82%, due 04/25/2035	1.86
American Express Credit Account Master Trust, Series 2023-1, Class A, 4.87%, due 05/15/2028	1.65
BA Credit Card Trust, Series 2023-A1, Class A1, 4.79%, due 05/15/2028	1.65
Ford Credit Floorplan Master Owner Trust A, Series 2023-1, Class A1, 4.92%, due 05/15/2028	1.65
Discover Card Execution Note Trust, Series 2023-A1, Class A, 4.31%, due 03/15/2028	1.64
Ford Credit Auto Owner Trust, Series 2021-1, Class A, 1.37%, due 10/17/2033	1.63
Capital One Multi-Asset Execution Trust, Series 2019-A3, Class A3, 2.06%, due 08/15/2028	1.62
Endeavour Funding Co. LLC, 4.03%, due 04/10/2026	1.62
Bayer Corp., 4.02%, due 07/20/2026	1.61
GM Financial Revolving Receivables Trust, Series 2021-1, Class A, 1.17%, due 06/12/2034	1.61
Total	16.54

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	56.68
1-3 Years	29.39
3-5 Years	2.16
5-10 Years	9.34
10-20 Years	2.12

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 Short-Term Government Corporate 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.

Fixed-income securities are subject to risks including credit risk, interest rate risk, counterparty risk, prepayment risk, extension risk, valuation risk, and liquidity risk. Interest rates may go up, causing the value of the Fund's investments to decline. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of a bond. These risks are described in more detail in the prospectus.

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.

Transamerica Funds are advised by Transamerica Asset Management, Inc. (TAM) and distributed by Transamerica Capital, LLC, member FINRA. Aegon USA Investment Management, LLC is an affiliate of Aegon companies. Transamerica companies are part of the Aegon group. 1801 California St. Suite 5200, Denver, CO 80202

© 2026 Transamerica Corporation. All Rights Reserved.
2980360R10