

Transamerica UltraShort Bond

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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)

Morningstar Category

Ultrashort Bond

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

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MACROECONOMIC OVERVIEW

Economic data in the first quarter painted a picture of a resilient yet gradually cooling economy. Growth moderated following 2025's late-year surge; fourth-quarter GDP slowed to a 0.7% annualized pace amid a temporary government shutdown. Inflation steadied around 2.4% year over year as of February. The labor market sent mixed signals: February payrolls declined 133 thousand in February, but March saw a 178 thousand job rebound. Overall, trends continue to support a "cooling" theme, with low hiring pressuring the unemployment rate slightly higher, but other metrics generally benign. Productivity has been a bright spot: output per hour continues to track above its pre-pandemic trend, an encouraging development that could foster faster, non-inflationary growth going forward. Monetary policy held steady through the quarter: the Federal Reserve kept its benchmark rate unchanged at roughly 3.50–3.75% and signaled potential rate cuts later in the year as economic risks become more balanced. Of the 19 meeting participants, 12 penciled in at least one rate cut later this year. Fed Chair Powell signaled that the risks to the Fed's inflation and employment mandates had come further into balance, in part due to higher energy costs. Treasury yields rose sharply in March after the onset of the conflict in Iran, reflecting the impact of higher energy prices on inflation and implications for monetary policy. Front-end rates led the move higher, with the two-year Treasury closing the quarter 32 basis points (bps) higher. The Bloomberg US Short-term Government/Corporate Index returned 0.79% in the quarter. Positive returns were driven primarily by positive carry, while the increase in yields presented a drag on index returns. The index yield to worst dimmed 19 bps from 3.72% to 3.91% over the quarter, while the index option-adjusted spread (OAS) for the corporate component of the index widened modestly from 57 bps to 68 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. However, this positive was more than offset by the negative performance impact of credit spread widening over the quarter, which affected the portfolio more than the benchmark. Yield curve positioning over the quarter was a negligible contributor to relative returns for the period. At a sector level, the largest contributor to relative returns was the portfolio's ex-index allocation to cash equivalent securities, mainly commercial paper. The portfolio's ex-index allocation to asset-backed securities (ABS) and the overweight allocation to investment grade corporate credit also contributed. Selection within investment grade corporate credit was the largest detractor. Within corporate credit, the largest contributors to relative returns were overweight allocations to banking, communications and transportation. Selection within banking, electric, consumer cyclicals and transportation detracted.

OUTLOOK

The Iran conflict and rising geopolitical tensions in the Middle East have reintroduced headline inflation risk via higher energy prices, but the evidence still points to a price shock rather than demand-driven inflation. With inflation expectations largely anchored and growth risks rising, the U.S. Federal Reserve is likely to hold policy steady in the near term, even as markets push rate-cut expectations further out. In the sub-advisers view, the sell-off at the front end of the yield curve has created attractive value, with two-year Treasury securities potentially positioned to benefit if slowing demand ultimately forces a more dovish policy response.

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)	0.76	0.76	4.09	4.98	-	-	4.98	0.64	0.35
Class A (at NAV)	0.69	0.69	3.75	4.62	-	-	4.62	0.88	0.69
Class A (at POP)	0.69	0.69	3.75	4.62	-	-	4.62	0.88	0.69
Bloomberg Short-Term Government Corporate Index	0.79	0.79	4.13	4.85	-	-	-	-	-

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 3/1/2027.

Top 10 holdings (%)

U.S. Treasury Bills, 3.69%, due 06/18/2026	4.03
BA Credit Card Trust, Series 2023-A2, Class A2, 4.98%, due 11/15/2028	1.92
Ford Credit Floorplan Master Owner Trust A, Series 2023-1, Class A1, 4.92%, due 05/15/2028	1.91
American Water Capital Corp., 4.08%, due 04/02/2026	1.90
Eaton Capital ULC, 4.21%, due 04/02/2026	1.90
Ford Credit Auto Owner Trust, Series 2022-1, Class A, 3.88%, due 11/15/2034	1.90
Humana, Inc., 4.24%, due 04/06/2026	1.90
Toyota Auto Loan Extended Note Trust, Series 2022-1A, Class A, 3.82%, due 04/25/2035	1.90
Hertz Vehicle Financing III LP, Series 2021-2A, Class A, 1.68%, due 12/27/2027	1.89
Ranger Funding Co. LLC, 3.99%, due 06/12/2026	1.89
Total	21.14

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	63.16
1-3 Years	24.45
3-5 Years	2.31
5-10 Years	7.44
10-20 Years	2.29

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

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