

Transamerica High Yield Muni

A | THAYX | 07/31/2013 C | THCYX | 07/31/2013 I | THYIX | 07/31/2013

Investment objective

The fund seeks to maximize total return through investment in medium- and lower-grade municipal securities that are exempt from federal income tax.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

High Yield Muni

Lipper Category

High Yield Municipal Debt Funds

Dividend Frequency

Daily

Benchmark

Bloomberg High Yield Municipal Bond Index

SUB-ADVISER



Belle Haven Investments, L.P. (Belle Haven)

PORTFOLIO MANAGERS

Max Christiana

Matthew Dalton

MACROECONOMIC OVERVIEW

For the quarter, high-yield municipals returned 0.71%, as reflected by the Bloomberg Municipal High Yield Index, outperforming their investment-grade counterparts, which returned -0.18%. The 10-year Muni/UST ratio ended the quarter at 72%, up from the 68% ratio at the end of Q4 2025. During Q1, \$139.3 billion in municipal bonds were issued, down 4% from Q4 2025 and up 4% from Q1 of 2025. Of that, \$130 billion was tax-exempt. 2025 was a record supply year, gross and net issuance ended at \$582 billion and \$237 billion respectively. Fund flows were \$24.1B over the quarter, \$20.7B of which was IG and \$3.4B of which was HY. Tax-exempt spreads tightened over the quarter as yields rose. AA spreads stayed relatively stable over the quarter, with premium structures fetching no more than 4 bps over similar AAA bonds. A-rated bonds also moved tighter vs AA's over the quarter, and BBB-A spreads remained relatively flat, with decompression happening during the most violent yield moves in mid-March. HY spreads tightened slightly over the quarter vs. IG spreads from around 202 bps to 192 bps, with tightening occurring during the largest yield moves associated with the conflict in Iran. The tax-exempt yield curve steepened moderately over the quarter. While most yields were up, the 2-year yield only rose by 3 bps while the 30y yield rose by 22 bps. The interesting region of steepness from 2038 to 2046 that existed at the start of the quarter, moderated slightly, beginning with a staggering 94 bps and ending with 80 bps, with the 20y spot being one of the best performing spots on the curve YTD.

FUND OVERVIEW

Transamerica High Yield Muni returned 0.39% for the quarter, underperforming its benchmark, the Bloomberg Municipal High Yield Index, which returned 0.71%. Effective duration increased to 7.27 years from 6.72 years at the end of Q4 2025 – this is higher than the peer group at 6.73 years. The increase in duration is largely due to spending down the cash and the unwinding of a large inflow during last quarter.

OUTLOOK

Looking to the end of 2026, the firm expects to see healthy HY supply. The firm looks to watch inflows in HY vs IG, especially if the firm returns to the trend of 2024 where HY featured prominently. On the other hand, Belle Haven has seen credit distress in certain areas like project finance and are watchful of trepidation for high yield as the firm continue into economically uncertain times. Belle Haven continues to seek the optimal intersection of credit and yield for this fund. All markets, including high-yield municipals, currently face the headwinds of policy. During times like this, Belle Haven become very optimistic and look forward to great opportunities in the future.

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)	0.39	0.39	2.91	5.33	0.87	2.66	4.44	0.81	0.76
Class A (at NAV)	0.35	0.35	2.76	5.17	0.75	2.53	4.30	1.01	0.91
Class A (at POP)	-2.90	-2.90	-0.54	4.02	0.09	2.19	4.03	1.01	0.91
Bloomberg High Yield Municipal Bond Index	0.71	0.71	2.35	5.26	1.90	4.14	-	-	-

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. 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 3.25%. 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 (%)

Warren County Port Authority, Series E, 6.25%, due 12/01/2055	1.31
Development Authority of Lagrange, 5.00%, due 10/15/2052	1.30
Sales Tax Securitization Corp., Series A, 5.00%, due 01/01/2040	1.25
Texas Municipal Gas Acquisition & Supply Corp. VI, 5.00%, due 01/01/2036	1.23
Public Finance Authority, Series A, 6.75%, due 12/01/2065	1.18
District of Columbia, 5.00%, due 07/01/2039	1.17
Illinois State Toll Highway Authority, Series A, 5.00%, due 01/01/2040	1.16
County of Ohio Special District Excise Tax, Series A, 5.50%, due 06/01/2054	1.10
Pennsylvania Economic Development Financing Authority, 4.00%, due 07/01/2046	1.01
Warren County Port Authority, Series D, 6.75%, due 12/01/2058	0.98
Total	11.69

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	0.46
1-3 Years	1.61
3-5 Years	1.71
5-10 Years	9.63
10-20 Years	29.44
20+ Years	55.70

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 High Yield Municipal Bond 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.

The interest from municipal bonds is expected to be exempt from federal income tax. If a fund investor is a resident in the state of issuance of the bonds held by the fund, interest dividends may also be free of state and local income taxes. Such interest dividends may be subject to federal and/or state alternative minimum taxes. Municipal bond prices can rise or fall depending on interest rates. Interest rates may go up, causing the value of the Fund's investments to decline. The municipal bond market can be susceptible to unusual volatility, particularly for lower-rated and unrated securities. All municipal bonds carry credit risk that the issuer will default or be unable to make timely payments of interest and principal. Generally, lower rated bonds carry more credit risk. High-yield bond (junk bonds) funds may be subject to greater volatility and risks as the income derived from these securities is not guaranteed and may be unpredictable and the value of these securities tends to decline when interest rates increases. The Fund is classified as 'non-diversified,' which means it may invest a larger percentage of its assets in a smaller number of issuers than a diversified fund. To the extent the Fund invests its assets in fewer issuers, the fund will be more susceptible to negative events.

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 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. Transamerica Companies and Belle Haven are not affiliated companies. 1801 California St. Suite 5200, Denver, CO 80202

© 2026 Transamerica Corporation. All Rights Reserved.
113020R29