

## Transamerica Short-Term Bond

**A** | ITAAX | 11/01/2007   **C** | ITACX | 11/01/2007   **I** | TSTIX | 11/30/2009

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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

Short-Term Bond

#### Lipper Category

Short-Term Investment Grade Debt Funds

#### Dividend Frequency

Daily

#### Benchmark

ICE BofAML U.S. Corporate & Government 1-3 Years Index

### SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

### PORTFOLIO MANAGERS

Tyler A. Knight, CFA

Brian W. Westhoff, CFA

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Sivakumar N. Rajan

### MACROECONOMIC OVERVIEW

Investors turned their attention from the Federal Reserve (Fed) to tariffs in the first quarter in anticipation of President Trump's tariff plan. In the meantime, the final reading for fourth-quarter gross domestic product (GDP) showed the economy grew at a 2.4% annualized pace according to data from the Bureau of Economic Analysis, and inflation eased in February, with the consumer-price index (CPI) climbing 0.2% on a month-over-month basis. The US labor market was resilient in March, adding 228,000 jobs, while the unemployment rate, which is based on a separate survey, edged up to 4.2% in March from 4.1% in February. The Federal Reserve (Fed) met in March and opted to leave its benchmark interest rate unchanged at a range between 4.25% and 4.50%. "We do not need to be in a hurry to adjust our policy stance, and we are well-positioned to wait for greater clarity," Fed Chair Jerome Powell said at a news conference after the meeting. Interest rates declined on the quarter, led by short- and medium-dated tenors, but all benchmark US Treasury yields declined by 0.20%-0.45%. Generally weaker economic data and uncertainty around trade policy led to expectations of lower policy rates later in the year, with traders forecasting three interest rate cuts in 2025 by quarter end, up from slightly fewer than two at the beginning of the year. The ICE BofA US 1-3 Year Government & Corporate Index returned 1.61% in the quarter. Declining interest rates contributed to index performance while index spreads were unchanged. The index yield to worst declined during the quarter from 4.43% to 4.12%. Index option-adjusted spreads for the corporate component of the index finished the quarter at 0.61%, 0.05% wider than start-of-the-quarter levels.

### FUND OVERVIEW

Transamerica Short-Term Bond's performance relative to the ICE BofAML U.S. Corporate & Government 1-3 Years Index benefited from the overweight to credit in the quarter given the additional yield generated by these securities relative to the benchmark. The portfolio's modest duration overweight compared to the benchmark also contributed to relative returns while credit spread-related impacts detracted. The largest contributor to relative returns was the ex-index allocation to commercial mortgage-backed securities. Selection within investment grade corporate credit and positioning within government securities and interest rate-related derivatives also contributed. Modest detractors included the ex-index allocation to asset-backed securities and the underweight allocation to emerging markets debt.

### OUTLOOK

After the end of the first quarter, President Trump unveiled a slew of tariff rates against the country's trade partners that were significantly more aggressive than the market anticipated. The market response has suggested expectations for weaker growth and higher inflation over the next few years, with interest rates moving sharply lower and risk assets declining. Market volatility is anticipated to continue given heightened uncertainty around the Trump administration's policy objectives and potential Federal Reserve action. AUIM 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
<b>Class A (at NAV)</b>	1.64	1.64	5.43	3.39	3.25	2.15	3.04	0.73	0.73
<b>Class I (at NAV)</b>	1.60	1.60	5.68	3.66	3.48	2.38	2.85	0.51	0.51
<b>Class A (at POP)</b>	-0.95	-0.95	2.83	2.52	2.73	1.90	2.89	0.73	0.73
<b>ICE BofAML U.S. Corporate &amp; Government 1-3 Years Index</b>	1.61	1.61	5.65	3.12	1.59	1.74	-	-	-

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://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 2.50%. 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 (%)

U.S. Treasury Notes, 4.38%, due 07/15/2027	3.48
Wells Fargo & Co., 3.58%, due 05/22/2028	1.01
Morgan Stanley, 5.65%, due 04/13/2028	0.97
GXO Logistics, Inc., 6.25%, due 05/06/2029	0.82
Barclays PLC, 7.33%, due 11/02/2026	0.79
Citigroup, Inc., 1.46%, due 06/09/2027	0.79
Bank of America Corp., 4.38%, due 04/27/2028	0.78
Infor LLC, 1.75%, due 07/15/2025	0.77
U.S. Treasury Notes, 4.25%, due 02/15/2028	0.73
PNC Financial Services Group, Inc., 5.30%, due 01/21/2028	0.69
<b>Total</b>	<b>10.83</b>

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	12.24
1-3 Years	46.21
3-5 Years	18.58
5-10 Years	7.65
10-20 Years	6.44
20+ Years	7.44

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 ICE BofAML U.S. Corporate & Government 1-3 Years 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. The value of fixed income securities generally goes down when interest rates rise, and therefore the value of your investment in the fund may also go down. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments. Changes in interest rates, the market's perception of the issuers and the creditworthiness of the issuers may significantly affect the value of the Fund.

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://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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