

Transamerica Long Credit

A | TLCDX | 03/31/2023 I | TLCJX | 03/31/2023

Investment objective

The fund seeks to provide total return through a combination of current income and capital appreciation.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Lipper Category

Corporate Debt Funds BBB-Rated

Dividend Frequency

Daily

Benchmark

Bloomberg US Long Credit Index

SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

PORTFOLIO MANAGERS

Bradley D. Doyle, CFA

Norbert King

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 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 Bloomberg US Long Credit Index returned 2.47% in the quarter. Falling interest rates were the predominant contributor to performance while long-dated credit spreads widened 0.17% with the index option-adjusted spread moving from 1.00% to 1.17% over the quarter. The index yield to worst finished the quarter at 5.73%, 0.08% lower than last quarter but still near the higher end of recent ranges.

FUND OVERVIEW

Transamerica Long Credit's quarterly performance relative to the Bloomberg US Long Credit Index was largely driven by credit spread impacts as the portfolio was less negatively impacted by credit spread widening given its modest ex-index allocation to Treasury securities. Duration positioning was a negligible contributor to relative returns. In addition to positioning in Treasury securities, security selection within investment grade corporate credit contributed to relative returns. Selection within emerging markets debt detracted. Within corporate credit, selection within electric, technology and banking were the largest contributors. The largest detractors were selection in consumer cyclicals and insurance, along with an underweight allocation to consumer non-cyclicals.

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
Class I (at NAV)	2.13	2.13	1.53	-	-	-	1.76	0.65	0.65
Class A (at NAV)	1.99	1.99	1.31	-	-	-	1.53	0.78	0.78
Class A (at POP)	-2.82	-2.82	-3.46	-	-	-	-0.91	0.78	0.78
Bloomberg US Long Credit Index	2.47	2.47	2.09	-	-	-	-	-	-

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 reflect the maximum sales charge. Performance for other share classes will vary.

The Max Sales Charge for Class A shares is 4.75%. 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 Bonds, 1.88%, due 11/15/2051	1.73
U.S. Treasury Bonds, 1.25%, due 05/15/2050	1.59
Anheuser-Busch InBev Worldwide, Inc., 4.44%, due 10/06/2048	1.41
U.S. Treasury Bonds, 4.50%, due 02/15/2044	1.20
Oracle Corp., 6.90%, due 11/09/2052	1.18
JPMorgan Chase & Co., 3.11%, due 04/22/2041	1.08
Verizon Communications, Inc., 3.70%, due 03/22/2061	1.05
Virginia Electric & Power Co., 8.88%, due 11/15/2038	1.02
Charter Communications Operating LLC/ Charter Communications Operating Capital, 6.48%, due 10/23/2045	1.00
AT&T, Inc., 3.55%, due 09/15/2055	0.97
Total	12.23

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 (%)

5-10 Years	4.80
10-20 Years	24.40
20+ Years	69.14

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 U.S. Long Credit 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 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

© 2025 Transamerica Corporation. All Rights Reserved.

2980368R6