

Transamerica Bond

A | IDITX | 06/29/1987 C | IFLLX | 11/11/2002 I | TFXIX | 11/30/2009

Investment objective

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

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Intermediate Core-Plus Bond

Lipper Category

Core Plus Bond Funds

Dividend Frequency

Daily

Benchmark

Bloomberg US Aggregate Bond Index

SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

PORTFOLIO MANAGERS

Tyler A. Knight, CFA

Brian W. Westhoff, CFA

Norbert King

Sivakumar N. Rajan

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 Aggregate Index returned -0.05% in the first quarter. The index yield to worst climbed 25 bps to 4.57% during the quarter, while the option-adjusted spread (OAS) widened 3 bps to 30 bps.

FUND OVERVIEW

Transamerica Bond performance relative to the Bloomberg US Aggregate Index benefited from the overweight to credit in the quarter given the additional yield generated by these securities relative 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 modest contributor to relative returns. At a sector level, the overweight allocation to and selection within asset-backed securities (ABS) were notable contributors to relative returns, as was the ex-index allocation to non-agency residential mortgage-backed securities (non-agency RMBS). Selection within government securities was the largest detractor to relative returns. Over the quarter, the portfolio held longer-duration securities in governments relative to the benchmark's duration profile for the sector. This positioning negatively impacted relative performance since the yield curve shifted higher over the quarter. The underweight to agency residential mortgage-backed securities (agency RMBS) and the overweight to investment grade corporate credit also notably detracted. Within corporate credit, the largest contributors to relative returns were selection within energy, other financials and insurance. Selection within banking, finance companies and consumer cyclicals were the largest detractors.

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 Federal Reserve is likely to hold policy steady in the near term, even as markets push rate-cut expectations further out. In our 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 A (at NAV)	-0.23	-0.23	4.16	3.75	0.43	2.29	5.20	0.84	0.84
Class I (at NAV)	-0.14	-0.14	4.50	4.10	0.80	2.68	3.99	0.53	0.50
Class A (at POP)	-5.01	-5.01	-0.77	2.10	-0.54	1.80	5.07	0.84	0.84
Bloomberg US Aggregate Bond Index	-0.05	-0.05	4.35	3.63	0.31	1.70	-	-	-

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 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 3/1/2027.

Top 10 holdings (%)

Uniform Mortgage-Backed Security, TBA, 5.50%, due 04/01/2056	2.62
Uniform Mortgage-Backed Security, TBA, 2.00%, due 04/01/2056	2.10
Uniform Mortgage-Backed Security, TBA, 2.50%, due 04/01/2056	1.12
U.S. Treasury Bonds, 1.25%, due 05/15/2050	1.09
MJFG Securities Canada Ltd., 3.88%, due 04/22/2026	1.02
U.S. Treasury Notes, 4.13%, due 02/15/2036	0.93
U.S. Treasury Bonds, 4.50%, due 02/15/2044	0.92
Anglesea Funding LLC, 3.79%, due 05/05/2026	0.89
Sheffield Receivables Co. LLC, 3.79%, due 04/13/2026	0.89
Versailles Commercial Paper LLC, 3.87%, due 04/06/2026	0.81
Total	12.39

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	6.59
1-3 Years	4.96
3-5 Years	12.37
5-10 Years	31.94
10-20 Years	18.64
20+ Years	30.23

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 US Aggregate Bond Index (BB US Aggregate 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.

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.¹

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.

113016R29

04/26