

Transamerica Sustainable Equity Income

A | TDFAX | 01/04/2013 C | TDFCX | 01/04/2013 I | TDFIX | 01/04/2013

Investment objective

The fund seeks total return gained from the combination of dividend yield, growth of dividends and capital appreciation.

Key Facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Large Value

Lipper Category

Equity Income Funds

Dividend Frequency

Quarterly

Benchmark

Russell 1000[®] Value Index

SUB-ADVISER



Aegon Asset Management UK plc (AAM)

PORTFOLIO MANAGERS

Mark Peden, CFA

Robin Black

MACROECONOMIC OVERVIEW

Global equity markets advanced over the quarter, capping a very strong year. Whilst domestic equities posted good gains, this was the first year since 2017 that international equities (as represented by the MSCI AC World ex-US index) outperformed the S&P 500[®]. Investors looked past the longest US government shutdown in history, with gains being driven by continued strong corporate earnings growth, momentum behind the Artificial Intelligence ('AI') theme and a rate cut from the U.S. Federal Reserve (Fed). The value style had a good quarter and outperformed growth, although the reverse was true over the full year. Within the Russell 1000[®] Value index, the continued momentum behind AI was illustrated by tech finishing as the top performing sector. Agreements between some large pharma companies and the Trump administration improved sentiment towards the sector, which helped it outperform as well. In contrast, real estate and consumer staples were at the bottom of the list, rounding off a dismal year for both.

FUND OVERVIEW

Sector allocation added value, but this was offset by softer stock selection. AI exposed stocks such as Cisco, Broadcom and TSMC benefitted from further strong demand for their products. Cisco (4.49% as of 12/31/2025), the Fund's largest holding, saw order growth accelerate over the quarter, leading to a results beat and an upgrade to full year guidance. There were positive contributions from health care stocks Bristol Myers Squibb (1.60%) and Gilead Sciences (3.65%). The former beat on quarterly results and raised revenue guidance. The latter also beat on the quarter and was one of a number of pharma companies to reach what was seen as a reasonable pricing agreement with the US government, removing an overhang on sentiment. In contrast, Home Depot (2.46%) was the largest detractor. Results missed and guidance was lowered, as consumer uncertainty and the weak housing market took its toll. A quiet storm season also pressured revenues. United Rentals was also lower as margins deteriorated on the back of higher fleet repositioning costs. This is due to a shift in the mix of projects it is servicing and should be transitory. Unlike the tech names mentioned previously, Microsoft (2.99%) and Texas Instruments (1.26%) had a disappointing quarter. Texas Instruments fell on conservative guidance which suggested the cyclical recovery is taking longer than hoped to play out.

OUTLOOK

Aegon AM believes the start of 2026 shares many similarities with the start of 2025. AI has been a key driver and valuations in some areas look rather full. However, there are grounds for believing the rally has further to go. Corporate earnings growth has been very healthy and is projected to stay strong. Provided the forecast earnings growth can be delivered, markets should be able to hold on to their valuation multiples, thus bagging further gains. There have also been signs of market breadth improving from previously narrow levels, which would be a positive development. Economic data also suggests the backdrop remains favorable, with good GDP growth and inflation coming down. However, one area to monitor is consumer resilience, with signs of stress in the lower income cohort. Aegon AM expects the backdrop for dividends and buybacks to continue to be extremely strong, as good earnings growth and strong balance sheets should underpin further growth in capital returns to shareholders.

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)	1.54	11.26	11.26	11.26	8.42	7.17	8.12	0.86	0.77
Class A (at NAV)	1.50	10.94	10.94	10.93	8.03	6.87	7.85	1.05	1.05
Class A (at POP)	-4.09	4.86	4.86	8.88	6.82	6.27	7.38	1.05	1.05
Russell 1000® Value Index	3.81	15.91	15.91	13.90	11.33	10.53	-	-	-

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 5.50%. 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.

Contributors & Detractors (%)

Leading Contributors	Contribution	Weight*	Return**
Alphabet Inc Class A	0.77	3.43	28.84
Cisco Systems Inc	0.57	4.52	13.26
Steel Dynamics Inc	0.44	2.45	21.89
Leading Detractors	Contribution	Weight	Return
Kimberly-Clark Corp	-0.34	1.66	-17.87
United Rentals Inc	-0.40	2.44	-15.05
The Home Depot Inc	-0.42	2.64	-14.52

Source: Morningstar Direct. ©2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

*Average portfolio weight for each security during the course of the quarter, calculated using daily holdings.

**The return for each security corresponds to the portion of the quarter when the fund held the security.

Top 10 holdings (%)

Cisco Systems, Inc.	4.49
Alphabet, Inc., Class A	3.94
Morgan Stanley	3.79
Taiwan Semiconductor Manufacturing Co. Ltd.	3.67
Gilead Sciences, Inc.	3.65
Bank of America Corp.	3.57
CME Group, Inc.	3.27
MetLife, Inc.	3.07
Microsoft Corp.	2.99
Broadcom, Inc.	2.86
Total	35.30

Holdings and weights are subject to change and are not recommendations to buy or sell a security. Holdings display excludes net other assets (liabilities).

The Russell 1000® Value 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. Russell® and other service marks and trademarks related to the Russell indexes are trademarks of the London Stock Exchange Group companies.

Focused funds are less diversified than other mutual funds; therefore, the performance of each holding in a focused fund has a greater impact upon the overall portfolio, which increases the risks associated with investing in the Fund. Value investing carries the risk that the market will not recognize a security's intrinsic value for a long time or that a stock considered undervalued is actually appropriately priced. Dividend income may vary depending on market performance and is not guaranteed. A company's future ability to pay dividends may be limited.

Applying the sub-adviser's ESG criteria to its investment analysis for the fund may impact the sub-adviser's investment decisions as to securities of certain issuers and therefore the fund may forgo some investment opportunities available to funds that do not use ESG criteria. Securities of companies with what are defined by the sub-adviser as having favorable ESG characteristics may shift into and out of favor depending on market and economic conditions, and the fund's performance may at times be better or worse than the performance of similar funds that do not use ESG criteria or that apply different ESG criteria. ESG is not a uniformly defined characteristic and applying ESG criteria involves a subjective assessment. ESG ratings and assessments of issuers can vary across third-party data providers.

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 Asset Management UK plc 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.

112461R28

01/26