

## Transamerica Core Bond

**A** | TABDX | 11/01/2022   **C** | TABEX | 11/01/2022   **I** | TABGX | 11/01/2022   **R4** | TMBFX | 09/11/2000

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### Investment objective

The fund seeks to achieve maximum total return.

### Key facts

#### Investment Manager

Transamerica Asset Management, Inc. (TAM)

#### Morningstar Category

Intermediate Core Bond

#### Lipper Category

Core Bond Funds

#### Dividend Frequency

Monthly

#### Benchmark

Bloomberg US Aggregate Bond Index

### SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

### PORTFOLIO MANAGERS

Bradley D. Doyle, CFA

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### 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 Aggregate Index returned 2.78% in the quarter. Positive returns to the index were driven by falling yields, with the index yield to worst declining 0.31% from 4.91% to 4.60%. The index option-adjusted spread increased 0.01% on the quarter, rising from 0.34% to 0.35%, still near its narrowest levels in over three years.

### FUND OVERVIEW

Transamerica Core Bond's 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. Relative performance also benefited from duration/yield curve positioning while credit spread impacts detracted. Selection in government securities was the largest contributor to relative performance. Over the quarter, the portfolio held longer-duration securities in governments relative to the benchmark's duration profile for the sector. This positioning positively impacted relative performance given the shift lower in rates over the quarter. Allocations to asset-backed securities and non-agency residential mortgage-backed securities were the largest detractors from relative returns. Within corporate credit, the largest contributors to relative returns were security selection in banking and consumer non-cyclicals, along with the underweight allocation to electric. Overweight allocations to consumer cyclicals, banking and technology detracted.

### 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 R4 (at NAV)</b>	2.33	2.33	4.24	0.17	-0.06	1.39	3.78	0.67	0.65
<b>Class I (at NAV)</b>	2.51	2.51	4.47	-	-	-	3.79	0.52	0.43
<b>Bloomberg US Aggregate Bond Index</b>	2.78	2.78	4.88	0.52	-0.40	1.46	-	-	-

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. Performance for other share classes will vary.

There are no sales charges for Class I. 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. There are no sales charges for Class R4. Class R4 shares are only available through eligible retirement accounts.

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 (%)

Uniform Mortgage-Backed Security, TBA, 2.50%, due 04/01/2055	4.18
Uniform Mortgage-Backed Security, TBA, 3.00%, due 04/01/2055	3.18
Uniform Mortgage-Backed Security, TBA, 5.50%, due 04/01/2055	2.74
Uniform Mortgage-Backed Security, TBA, 4.00%, due 04/01/2055	1.87
Uniform Mortgage-Backed Security, TBA, 4.50%, due 04/01/2055	1.84
Uniform Mortgage-Backed Security, TBA, 3.50%, due 04/01/2055	1.42
U.S. Treasury Notes, 4.63%, due 02/15/2035	1.41
Thunder Bay Funding LLC, 4.58%, due 05/16/2025	1.40
U.S. Treasury Inflation-Protected Indexed Bonds, 2.50%, due 01/15/2029	1.35
CRC Funding LLC, 4.68%, due 05/16/2025	1.29
<b>Total</b>	<b>20.68</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	21.84
1-3 Years	7.64
3-5 Years	12.28
5-10 Years	23.28
10-20 Years	11.54
20+ Years	41.08

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 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.

Any U.S. government guarantees of the securities held in this investment fund pertain only to those securities and not the fund or its yield. The values of bonds change in response to changes in economic conditions, interest rates, and the creditworthiness of individual issuers. 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.

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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