

Transamerica Core Bond

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

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

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MACROECONOMIC OVERVIEW

In 2025, investors are learning the cost of macro uncertainty—volatility. While the overall fiscal policy shift could turn out to be a positive supply shock, it must first get through the short-run challenges of sequencing the policy changes (tariff implementation occurs before tax legislation or de-regulation). Thus, the impact so far has been a drag as tariffs weigh on growth, while the stimulative aspect of tax cuts and deregulation are still to come. On the economic front, inflation edged up to 2.4% in May compared to a year ago, according to data from the Bureau of Labor Statistics. That was slightly higher than its 2.3% reading in April. The US labor market added 147,000 jobs in June, according to data from the Bureau of Labor Statistics. However nearly half of that total came from the public sector. The unemployment rate, which is based on a separate survey, fell to 4.1%—mostly due to a contraction in the labor force. The Federal Reserve (Fed) met in June and left its benchmark interest rate unchanged at a range of between 4.25% and 4.50%. While individual committee members have voiced increasingly disparate views around the optimal path of policy as tariffs weigh on both the inflation and growth outlooks, Chair Powell has maintained a preference for waiting for greater clarity before altering policy. The Bloomberg US Aggregate Index returned 1.21% in the quarter. Positive returns were supported both by a modest decline in yields and tightening of credit spreads. The index yield to worst declined 0.09% from 4.60% to 4.51%. The index option-adjusted spread narrowed 0.02% to 0.033%, near its tightest level on record.

FUND OVERVIEW

Transamerica Core Bond's performance relative to the Bloomberg U.S. 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 modestly benefited from duration/yield curve positioning while credit spread impacts modestly detracted. A modest ex-index allocation to high yield corporate credit and selection within investment grade corporate credit were the largest contributors to relative returns. Selection in government securities was the largest detractor. 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 given the shift higher in rates on the long end of the curve over the quarter. Within corporate credit, the largest contributors to relative returns were security selection in consumer non-cyclicals, consumer cyclicals, banking and natural gas. The underweight allocation to electric and selection within finance companies detracted.

OUTLOOK

The overall economic outlook for the rest of 2025 continues to be one of policy transition. The landscape should start to look brighter as the fiscal policy wish list manifests itself into actual policy. That should help reduce uncertainty risk and potentially impart a positive supply shock on the economy, but it is more likely a 2026 story than a second half of 2025 one. While policy uncertainty appears set to subside, continued market volatility cannot be ruled out given the uncertain impact of fiscal policy and corresponding Federal Reserve action. Aegon USA Investment Management, LLC (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)	1.32	3.86	5.65	-	-	-	5.23	0.52	0.43
Class R4 (at NAV)	1.26	3.62	5.29	2.40	-0.63	1.68	3.79	0.67	0.65
Bloomberg US Aggregate Bond Index	1.21	4.02	6.08	2.55	-0.73	1.76	-	-	-

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. 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 07/01/2055	4.09
Uniform Mortgage-Backed Security, TBA, 3.00%, due 07/01/2054	3.03
Uniform Mortgage-Backed Security, TBA, 5.50%, due 07/01/2054	2.31
Uniform Mortgage-Backed Security, TBA, 4.00%, due 07/01/2054	1.89
Uniform Mortgage-Backed Security, TBA, 4.50%, due 07/01/2054	1.88
U.S. Treasury Bills, 4.31%, due 10/16/2025	1.58
U.S. Treasury Notes, 4.13%, due 02/28/2027	1.47
U.S. Treasury Notes, 4.00%, due 05/31/2030	1.40
Uniform Mortgage-Backed Security, TBA, 3.50%, due 07/01/2054	1.38
U.S. Treasury Notes, 0.63%, due 08/15/2030	1.34
Total	20.37

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	21.05
1-3 Years	9.30
3-5 Years	14.69
5-10 Years	23.85
10-20 Years	11.95
20+ Years	37.52

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 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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