

## Transamerica Strategic Income

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### Investment objective

The fund seeks to provide a high level of current income with long-term capital appreciation as a secondary objective.

### Key facts

#### Investment Manager

Transamerica Asset Management, Inc. (TAM)

#### Morningstar Category

Multisector Bond

#### Lipper Category

Multi-Sector Income Funds

#### Dividend Frequency

Daily

#### Benchmark

Bloomberg US Aggregate Bond Index

### SUB-ADVISER



PineBridge Investments LLC (PineBridge)

### PORTFOLIO MANAGERS

Peter Hu, CFA

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Gunter H. Seeger

### MACROECONOMIC OVERVIEW

Most fixed income asset classes produced positive total returns and flat to positive excess returns during the quarter, extending the rally from the third quarter. The most recent earnings season has been positive overall, though dispersion at the sector level has been quite sharp. On the positive side, energy and retail companies have beaten low expectations, and we've seen more instances of companies raising than lowering guidance. On the other hand, the chemicals sector faces headwinds from weak global demand and significant overcapacity. There were two brief periods of spread widening in each of the first two months during the quarter. The first came on the back of two prominent auto sector bankruptcies, along with commercial mortgage fraud at two regional banks. These events sparked renewed debate over credit market vulnerability, with the analogy that "there is rarely just one cockroach" underpinning concerns that these failures might presage a broader negative credit cycle. However, current evidence suggests that these incidents remain largely idiosyncratic, but with the risk that they may reflect other facets of today's K-shaped economy. A second episode of spread widening came in November, as skepticism over an AI bubble and doubts about hyperscalers' ability to recover their capex investments weighed on sentiment. Investors questioned whether the rapid pace of Artificial Intelligence (AI) infrastructure investment can be sustained until both the infrastructure and downstream applications deliver meaningful, scalable revenue. Nonetheless, spreads eventually tightened following both instances amid renewed expectations of Fed cuts and supportive technical conditions. U.S. Treasury rates rallied on the front-end amid Fed rate cuts while the back end drifted slightly higher. 1, 3, and 5-year rates rallied 16, 12 and 6 basis points while 20- and 30-year rates were 5 and 8 basis points higher, respectively.

### FUND OVERVIEW

Transamerica Strategic Income fund, I share class, returned 1.13% which compared to a 1.10% return for the Bloomberg US Aggregate Bond Index. The Fund benefitted most from allocations to High Yield Bonds, Contingent Convertibles and Preferred Securities and Mortgage-Backed Securities. From a security selection standpoint, the Fund benefitted from strong selections among High Yield Bonds and Contingent Convertible and Preferred Securities. From a total return standpoint, emerging markets fixed income generally outperformed. The top performing allocations within the Fund were allocations to local currency sovereign debt and Asia high yield corporate debt. The only significant detractor was a hedged position in 30-year Japanese Government Bonds that was exited early in the quarter. Towards the second half of the quarter, we reduced our allocation to Mortgage-backed securities and initiated a position in local currency emerging markets sovereign debt. Mortgage-backed securities (MBS) spreads have now rallied inside of longer-term averages and we expect select emerging economies to benefit from improving fundamentals.

### OUTLOOK

PineBridge Investments LLC (PineBridge) has a constructive outlook for risk assets heading into 2026. PineBridge view is rooted in a convergence of monetary and fiscal developments: the 1 December end of the U.S. Federal Reserve's (Fed) quantitative tightening (QT) program, 2 additional rate cuts expected in the next twelve months and the resumption of the One Big Beautiful Bill Act fiscal stimulus. Together, these "clearing events" are set to replenish liquidity to the financial system and sustain a supportive environment for risk assets. Policy rate cuts should support small businesses borrowing at the short end, along with lower-end consumer credit and the associated jobs in this segment. Together, these effects create a constructive impulse for employment that will be essential to offset downward pressure on labor from AI. Within credit, PineBridge continues to favor the belly of the curve and Asian high yield (ex China property), yet the sub-adviser is now also interested in a handful of LatAm local currency carry bonds. Within leveraged finance markets, PineBridge expects positive, carry-based total returns (but muted excess returns) and believe defaults could bleed a bit higher in 2026. The firm maintains a neutral portfolio stance following recent spread tightening and currently favor BB/B rated segments over lower-quality segments.

**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)	1.13	7.96	7.96	6.66	3.03	4.09	3.59	0.77	0.64
Class A (at NAV)	1.15	7.85	7.85	6.42	2.78	-	3.76	1.02	0.98
Class A (at POP)	-3.62	2.77	2.77	4.70	1.80	-	2.80	1.02	0.98
Bloomberg US Aggregate Bond Index	1.10	7.30	7.30	4.66	-0.36	2.01	-	-	-

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 3/1/2026.

## Top 10 holdings (%)

State Street Institutional U.S. Government Money Market Fund, 3.74%	4.41
U.S. Treasury Bonds, 4.13%, due 08/15/2044	1.56
Sculptor CLO XXX Ltd., Series 30A, Class D2R, 8.48%, due 07/20/2038	1.42
Brazil Notas do Tesouro Nacional, 10.00%, due 01/01/2031	1.06
Japan Government Thirty Year Bonds, 3.20%, due 09/20/2055	0.88
Sound Point CLO 35 Ltd., Series 2022-35A, Class D2R, 7.71%, due 04/26/2038	0.87
LCM 41 Ltd., Series 41A, Class D1R, 7.50%, due 04/15/2036	0.81
Dryden 95 CLO Ltd., Series 2021-95A, Class DR, 6.94%, due 08/20/2034	0.79
Federal Home Loan Mortgage Corp., 3.00%, due 09/01/2052	0.77
Canyon Capital CLO Ltd., Series 2022-2A, Class D2R, 7.90%, due 04/15/2038	0.76
<b>Total</b>	<b>13.33</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	2.18
1-3 Years	10.55
3-5 Years	19.75
5-10 Years	33.13
10-20 Years	10.50
20+ Years	19.57

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.

Effective on March 1, 2025, the fund was renamed Transamerica Strategic Income. In addition, the fund's investment objective, principal investment strategies and benchmarks has changed. The Bloomberg US Aggregate Bond 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 and, therefore, the fund, are subject to risks including credit risk, interest rate fluctuation risk, counterparty default risk, which is greater with respect to high-yield/non-investment grade bonds, prepayment risk, extension risk, valuation risk, and liquidity risk. 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. Using derivatives exposes the fund to additional or heightened risks, including leverage risk, liquidity risk, valuation risk, market risk, counterparty risk and credit risk.

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.**

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