

## 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

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### MACROECONOMIC OVERVIEW

Credit spreads began the year near post-GFC tights before reversing course, with most fixed income risk assets ending the quarter meaningfully wider. The initial tightening gave way to a sustained sell-off driven by a confluence of factors: AI disruption fears, rising geopolitical risk, and a deteriorating macro backdrop in the back half of the quarter. The US labor market showed signs of stabilization early in the quarter, with unemployment declining and job creation remaining decent. The U.S. Federal Reserve (Fed) held rates steady, characterizing economic growth as solid even as inflation remained somewhat elevated. Global macro conditions appeared constructive entering the year — German fiscal expansion offered a tailwind to European growth, and China's property sector headwinds were fading — though significant risks persisted. Geopolitical tensions escalated sharply beginning in late February, when US and Israeli strikes killed Iran's Supreme Leader and triggered the de facto closure of the Strait of Hormuz. The conflict dominated markets through quarter-end and into April. Brent crude approached \$120/bbl before retreating toward \$100/bbl, and 10-year Treasury yields ended March more than 35 basis points above pre-conflict levels, reflecting persistent uncertainty around inflation and growth implications of a prolonged closure. Risk sentiment deteriorated materially in March, with the S&P 500<sup>®</sup> falling 5% on the month and spreads across fixed income asset classes reaching their widest levels since mid-2025. Sector and ratings dispersion was elevated throughout the quarter. Despite the difficult tone, Q4 2025 earnings were constructive, primary markets remained functional, and early April has seen a modest risk-on bid on expectations of near-term conflict resolution.

### FUND OVERVIEW

Transamerica Strategic Income fund, I share class, returned -0.48% which compared to a -0.05% return for the Bloomberg US Aggregate Bond Index. US Treasury rates traded higher across all maturities on the curve, however, 2-5 year rates sold off the most amid a backdrop of renewed inflation concerns due to the spike in oil prices. The fund benefitted most from allocations to Emerging Markets Sovereign Debt and Mortgage-Backed Securities. Allocations to Contingent Convertibles and Preferred Securities, Emerging Markets Investment Grade Corporates and Investment Grade CLO debt tranches detracted most. From a security selection standpoint, the Fund benefitted from credits held within the High Yield and Bank Loan allocations. Towards the end of the quarter, on the back of the rally in software, PineBridge reduced our allocation to Bank Loans. Instead, the firm increased our allocation to Emerging Markets Sovereign Debt due to improved valuations and the weaker US-dollar.

### OUTLOOK

For risk assets generally, oil prices remain the key driver as investors grapple with a broadening supply shock, as well as hopes for de-escalation of the Iran conflict. Markets now see the Fed on hold this year — a dramatic shift from year-end where more than two cuts were priced in. For leveraged finance issuers, Q4 2025 earnings and 2026 outlooks are complete, and results overall were in line with recent quarters. Continued weakness was noted in building products as rates remain stubbornly high. Last-twelve-month par-weighted default rates have increased in certain segments but remain low relative to longer-term averages. Fundamentals are broadly sound, though signs of strain are emerging in consumer-driven sectors such as housing and autos. The US's relative energy independence continues to provide a cushion against external shocks. Spreads have widened by approximately 60 basis points while yields have widened even further, creating more attractive return profiles. While concerns around private credit are gaining attention, PineBridge does not see meaningful spillover risks or systemic contagion. For investors with a year-end horizon, current conditions could present selective buying opportunities, albeit with elevated volatility. For investment grade credit, 2026 is shaping up as a transition year, with a surge in AI-related capex, rising M&A activity, and a likely increase in long-duration issuance reshaping the supply-demand balance. Elevated yields, healthier secondary-market liquidity, and resilient fundamentals should continue to support positive total returns, though beta may take a backseat to alpha and security selection will be more consequential than in recent compressed markets. Financials look relatively attractive; technology warrants caution given heavy supply. In emerging markets, the Hormuz conflict has introduced significant dispersion: commodity-exporting EM economies, particularly in Latin America, have proven resilient, while energy-importing economies across Asia remain under pressure given their heavy reliance on Strait of Hormuz flows. EM valuations remain relatively inexpensive and should attract renewed investor interest if the conflict resolves early in the quarter with limited additional damage to global energy infrastructure.

**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)	-0.48	-0.48	5.70	6.02	2.77	4.00	3.46	0.83	0.63
Class A (at NAV)	-0.66	-0.66	5.46	5.73	2.49	-	3.46	1.05	0.97
Class A (at POP)	-5.37	-5.37	0.50	4.02	1.50	-	2.55	1.05	0.97
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](http://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 (%)

State Street Institutional U.S. Government Money Market Fund, 3.60%	4.40
U.S. Treasury Bonds, 4.13%, due 08/15/2044	1.45
Sculptor CLO XXX Ltd., Series 30A, Class D2R, 8.27%, due 07/20/2038	1.32
Brazil Notas do Tesouro Nacional, 10.00%, due 01/01/2031	1.08
Sound Point CLO 35 Ltd., Series 2022-35A, Class D2R, 7.52%, due 04/26/2038	0.78
Dryden 95 CLO Ltd., Series 2021-95A, Class DR, 6.71%, due 08/20/2034	0.74
LCM 41 Ltd., Series 41A, Class D1R, 7.27%, due 04/15/2036	0.73
Federal Home Loan Mortgage Corp., 3.00%, due 09/01/2052	0.70
Canyon Capital CLO Ltd., Series 2022-2A, Class D2R, 7.67%, due 04/15/2038	0.69
Allegro CLO XV Ltd., Series 2022-1A, Class D2R, 7.67%, due 04/20/2038	0.68
<b>Total</b>	<b>12.57</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	1.35
1-3 Years	10.86
3-5 Years	20.62
5-10 Years	30.80
10-20 Years	11.42
20+ Years	19.58

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.

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](http://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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