

Transamerica Floating Rate

A | TFLAX | 10/31/2013 **C** | TFLCX | 10/31/2013 **I** | TFLIX | 10/31/2013

Investment objective

The fund seeks to achieve a high level of current income with capital appreciation as a secondary objective.

Key facts

Investment Manager

Transamerica Asset Management, Inc. (TAM)

Morningstar Category

Bank Loan

Lipper Category

Loan Participation Funds

Dividend Frequency

Daily

Benchmark

S&P UBS Leveraged Loan Index

SUB-ADVISER



Aegon USA Investment Management, LLC (AUIM)

PORTFOLIO MANAGERS

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MACROECONOMIC OVERVIEW

Loans had a grind of a quarter, with the Morningstar LSTA US Leveraged Loan Index up 1.68%. There was a small price decline during September that wiped away some of the principal return, as post-Labor Day loan supply surprised to the upside, resulting in managers selling secondary names to make room for primary allocations. Also, there were many re-pricings during the period, especially in July and early August, that resulted in names trading at 100.5 or higher moving toward par given the limited call protection that exists in the loan market. Overall, the market traded with a firm tone with limited volatility and coupon like returns. Updated data showed the US economy rebounded in the second quarter after shrinking in the first quarter. Gross domestic product (GDP) rose 3.8% in the second quarter according to the Bureau of Economic Analysis' third reading. In the first quarter, GDP contracted -0.7%. Meanwhile, inflation rose 2.9% in August from a year ago, according to data from the Bureau of Labor Statistics. That was higher than its 2.7% reading in July. The September payroll report from the Bureau of Labor Statistics, which is typically released on the first Friday of each month, was delayed due to the US federal government shutdown. However, the previous release showed the economy added just 22,000 jobs in August. At its September meeting, the Federal Open Market Committee (FOMC) reduced its benchmark fed-funds rate by 25 basis points to a range of 4% to 4.25%. That marked its first rate cut in nine months.

FUND OVERVIEW

Security selection in a few fast-moving restructuring situations detracted from performance but was offset by a rally in a re-org equity security and ongoing good carry in the portfolio. Outside of the individual names moving around, the market and portfolio had little attribution, good or bad, to speak of. Bonds and cash were fairly neutral and there was limited movement at the sector level with the exception of chemicals, which only returned 17 basis points during the quarter, benefitting the portfolio's underweight to that sector.

OUTLOOK

Aegon USA Investment Management, LLC (AUIM) outlook for US bank loans in the fourth quarter of 2025 is roughly for coupon-like returns, as the Morningstar LSTA US Leveraged Loan Index sits in the high 96s, leaving limited price upside—particularly for medium- to higher-quality names that are already trading around par. Heading into the fourth quarter, fundamentals are mixed as decent underlying earnings are offset by tariffs and geopolitical uncertainty pressuring the outlook. Conversely, valuations are decent with attractive entry points for long-term investors. Price rallies will likely be limited going forward, but high starting coupons can still compensate investors nicely, even with the restart of the Federal Reserve cutting cycle at the September meeting. AUIM is watching for pockets of volatility to emerge again as the developments come through on trade, tariffs and geopolitics, resulting in potentially attractive entry points for tactical investors. However, for investors willing to see through the potential volatility, the fourth quarter of 2025 could be another solid period of returns for the asset class.

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)	1.23	4.26	6.80	8.53	5.68	4.50	4.18	0.72	0.62
Class A (at NAV)	1.26	4.01	6.57	8.21	5.39	4.24	3.95	1.02	0.98
Class A (at POP)	-3.57	-0.91	1.51	6.48	4.37	3.74	3.52	1.02	0.98
S&P UBS Leveraged Loan Index	1.68	4.69	7.09	9.72	6.88	5.45	-	-	-

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. 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 (%)

Tenet Healthcare Corp., 6.13%, due 06/15/2030	1.16
Allied Universal Holdco LLC, 7.88%, due 02/15/2031	0.90
BCPE North Star U.S. HoldCo 2, Inc., 8.28%, due 06/09/2028	0.84
Bausch & Lomb Corp., 8.41%, due 01/15/2031	0.84
Magenta Security Holdings LLC, 10.56%, due 07/27/2028	0.84
PetSmart, Inc., 8.14%, due 08/18/2032	0.84
Flynn Restaurant Group LP, 7.91%, due 01/28/2032	0.77
BIFM U.S. Finance LLC, 7.91%, due 05/31/2028	0.76
Apro LLC, 7.94%, due 07/09/2031	0.75
Nomad Foods U.S. LLC, 6.54%, due 11/12/2029	0.75
Total	8.45

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	2.52
1-3 Years	24.14
3-5 Years	24.93
5-10 Years	45.05
10-20 Years	0.57

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.

The S&P UBS Leveraged Loan 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.

Floating rate loans are often made to borrowers whose financial condition is troubled or highly leveraged. These loans frequently are rated below investment grade and are therefore subject to risks associated with high yield bonds. High yield bonds tend to be volatile and more susceptible to adverse events, credit downgrades and negative sentiments.

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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