

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 soft first quarter to start 2026, with the Morningstar LSTA Leveraged Loan Index falling 2.11%. Much of the first quarter weakness in loans can be attributed to a sell-off that hit the info-technology/software sector, along with adjacent business services due to fears of AI disruption to firms' business models. Many of these companies saw their debt prices recover some after reporting decent year-over-year earnings later in the quarter, addressing investor fears about artificial intelligence (AI). However, price upside in the second half of the quarter was somewhat limited as the Iran War began, posing a new round of uncertainty for investors. Data released in March showed the US economy cooled more than expected in the fourth quarter, thanks in part to the federal government shutdown. Fourth-quarter GDP came in at a 0.7% annualized rate after growing at a 4.4% pace in the third quarter, according to the Bureau of Economic Analysis' second estimate. Inflation registered a 2.4% year-over-year increase in February, matching its January reading. Meanwhile, the labor market roller coaster continued with nonfarm payrolls jumping 178,000 in March after falling 133,000 in February. At its March meeting, the Federal Open Market Committee opted to keep the fed-funds rate at a range of between 3.50% and 3.75%. That marked the second straight meeting with no change. Of the 19 meeting participants, 12 penciled in at least one rate cut later this year.

FUND OVERVIEW

The biggest driver of performance this quarter was the portfolio's underweight to the info technology/software sector as this space sold off in February due to fears of the unknown implications that recent and future AI developments may bring. When looking at positioning within ratings, the portfolio benefited from security selection within the B and CCC cohort.

OUTLOOK

The sub-adviser's outlook for US bank loans for the remainder of 2026 is for coupon-like returns. Given the recent implications and uncertainty stemming from the Iran War, the path forward for loans has become much more opaque. As such, price rallies could be limited going forward given the macro uncertainty. However, the carry potential is still attractive. The sub-advisor continues to watch for pockets of volatility to emerge as developments come through on trade, tariffs, artificial intelligence, and geopolitics, which could result in attractive entry points for tactical investors. However, for investors willing to see through the potential volatility, the remainder of 2026 could be a decent year.

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)	-0.04	-0.04	4.71	7.24	4.98	4.48	4.08	0.74	0.63
Class A (at NAV)	-0.11	-0.11	4.38	6.84	4.67	4.21	3.84	1.01	0.98
Class A (at POP)	-4.86	-4.86	-0.63	5.11	3.66	3.70	3.43	1.01	0.98
S&P UBS Leveraged Loan Index	-0.47	-0.47	4.79	8.02	5.85	5.59	-	-	-

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 3/1/2027.

Top 10 holdings (%)

Tenet Healthcare Corp., 6.13%, due 06/15/2030	1.26
Allied Universal Holdco LLC, 7.88%, due 02/15/2031	0.97
Bausch & Lomb Corp., 7.42%, due 01/15/2031	0.92
PetSmart, Inc., 7.68%, due 08/18/2032	0.92
Flynn Restaurant Group LP, 7.42%, due 01/28/2032	0.82
Nomad Foods Europe Midco Ltd., 6.28%, due 10/28/2032	0.79
Pregis TopCo Corp., 7.67%, due 02/01/2029	0.78
Proampac PG Borrower LLC, 7.78%, due 03/07/2033	0.77
American Auto Auction Group LLC, 8.20%, due 05/28/2032	0.73
Curium Bidco SARL, 6.70%, due 08/04/2031	0.73
Total	8.69

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	1.20
1-3 Years	19.86
3-5 Years	25.48
5-10 Years	48.10
10-20 Years	0.62

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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