SYMPHONY
FLOATING RATE SENIOR LOAN FUND

BROMPTON FUNDS

SUB-ADVISOR COMMENTARY - AUGUST 31, 2020

Symphony Floating Rate Senior Loan Fund ("the Fund") returned 1.7% for the month of August 2020.

According to J.P. Morgan, August was another strong month for the U.S. capital markets. Similar to the previous month, risk assets rose on "better-than-feared" earnings, positive prospects for a vaccine and continued improvements in economic data (housing, retail sales, and consumer spending). On monetary policy, August's big event was the Fed's annual Jackson Hole conference, where Chair Powell formally signaled a shift to "average inflation targeting". The new framework provides the Fed more flexibility with future interest rate decisions. Against this backdrop, U.S. senior loans and high yield bonds, as represented by the Credit Suisse Leveraged Loan Index and BofA Merrill Lynch High Yield Index, rose +1.50% and +0.98%, respectively.

Within senior loans, prices advanced across all industries, as well as across the full credit-quality spectrum. All 21 industries generated positive returns during the month, with Transportation leading the rally, followed by Gaming & Leisure and Retail. In terms of credit quality, lower credit quality (Bs/CCCs) loans outperformed higher rated (BBBs/BBs) loans during the month. While we've seen a strong recovery in split B/CCC loans over the summer months, their performance continues to lag behind the overall index and higher rated loans on a year-to-date basis. In terms of default, three companies defaulted in August, affecting $1.6 billion in loans and bonds.

Contributing positively to absolute and relative performance in August were exposures to re-org equity and a number of issuers that rallied following their earnings releases. Within re-org equity, shares of Avaya, a communications software provider, rallied following better-than-expected earnings and outlook. The Fund reduced exposure to the position on strength. The loans of Clear Channel, an outdoor advertising company, and Envision, an outsourced physician services provider, moved up as both companies reported earnings with stronger liquidity profiles. Detracting from relative performance was primarily an active overweight in the utilities industry due to a large exposure to PG&E, a California utilities company. The longer dated bonds of the utilities provider declined in August, partially driven by a higher 30yr treasury rate as these bonds have higher duration, as well as a deterioration in sentiment with recent fire outbreaks in California.

Senior loans as an asset class remains attractive from a risk/reward perspective, factoring in income combined with expected price return to par. Technical factors are expected to remain favorable as loan supply continues to significantly lag pre-pandemic levels while CLO formation continues to pick up. While liquidity remains ample in capital markets, there are several near-term risk factors we continue to monitor closely: fiscal policy, Covid-19, and the U.S. election. We believe active management and in-depth credit analysis will drive risk exposures and return for the remainder of the year and into 2021.

SYMPHONY
from nuveen

Annual Compound Returns[1]	1-YR	3-YR	5-YR	Since Inception A & U[2]	Since Inception C & F[3]
Symphony Floating Rate Senior Loan Fund - Class A	(9.5%)	(1.2%)	1.2%	3.8%	-
Symphony Floating Rate Senior Loan Fund - Class C	(8.9%)	(1.2%)	-	-	(0.4%)
Symphony Floating Rate Senior Loan Fund - Class F	(9.6%)	(1.1%)	-	-	(0.4%)
Symphony Floating Rate Senior Loan Fund - Class U	(8.4%)	(0.6%)	1.5%	3.7%	-

(1) Returns are for the periods ended August 31, 2020. The table shows the Fund's compound return for each period indicated.

(2) Inception date November 1, 2011.

(3) Inception date January 10, 2017.

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