SYMPHONY
FLOATING RATE SENIOR LOAN FUND

BROMPTON FUNDS

SUB-ADVISOR COMMENTARY - JULY 31, 2019

The Fund returned +0.8% for the month of July 2019. The Credit Suisse Leveraged Loan Index and the S&P/LSTA U.S. Leveraged Loan 100 Index returned +0.8% and +1.0% respectively, for the same period.

According to J.P. Morgan, the month of July was a bit volatile for U.S. risk assets. Capital markets, including loans, rose in the first half of the month as investors began to strongly anticipate a Fed rate cut decision. Markets dipped in the third week of July, however, on sudden investor concern around Iranian activity in the Strait of Hormuz and increased probability of a "Hard" Brexit, as Brexit hardliner, Boris Johnson, became UK Prime Minister. As the month progressed, investor sentiment improved and U.S. capital markets climbed in response to continued positive U.S. corporate earnings announcements and in anticipation of the month-end Fed decision. However, markets gave back some gains in the last three days of the month over renewed investor concern about U.S.-China trade relations.

Against the above backdrop, U.S. senior loans moved higher during the month with 20 out of 21 industry sectors advancing. Five industries advanced more than 1% with the notable gainers being Telecommunications, Paper & Packaging, and Cable Satellite. Cyclical industries notably lagged with Metals & Mining declining. In terms of default activity, five issuers defaulted during the month on a total of $10.3bn (bonds $8.6bn and loans $1.7bn). Overall, the average monthly default volume totals $4.6bn year to date, compared with an average of $3.5bn during FY18. Further, broadly speaking, loan issuer fundamentals remain stable and, as noted last month, the Fed's preemptive rate cut to support U.S. economic growth should benefit credit conditions in the near term.

The portfolio benefitted from security selection within Health Care Equipment & Services and Telecommunications. Notably, exposure to the loan of Prospect Medical, a large hospital and medical group, rose as the company sold real estate assets with the expectation it would use the proceeds to pay down debt. Exposure to the loan of IntelSat, a global satellite services company, also benefitted return as the loan rose on the expectations for strengthening operating performance and improved likelihood it would be able to monetize it's satellite spectrum for wireless use. These good results, however, were more than offset by disappointing security selection within Media, along with exposure to select re-org equity which declined in the period. Within Media, the loan of Clear Channel, an outdoor advertising company, fell as the company had a share offering without clearly communicating to investors how the proceeds were to be used.

Despite the view that the U.S. economy and U.S. corporate credit fundamentals remain largely intact, we continue to be defensively positioned. Near term macro factors (U.S.-China trade, Brexit, etc.), however, are expected to lead to more market volatility and increased downside risk. Due to these circumstances, we continue to favor higher quality, more liquid assets in the loan market. Although the loan market remains on relatively solid footing, we expect an increase in market volatility. Increased volatility should provide opportunities --- without losing focus on preservation of capital and income --- to capture loan assets at temporarily dislocated prices, providing the potential for greater total return as prices rise to their fundamental intrinsic value.

SYMPHONY
ASSET MANAGEMENT

Note: This page is not complete without disclaimers on page 2.

Annual Compound Returns[1]	1-Year	3-Year	5-Year	Since Inception A & U[2]	Since Inception C & F[3]
Symphony Floating Rate Senior Loan Fund - Class A	0.8%	5.7%	3.5%	5.8%	-
Symphony Floating Rate Senior Loan Fund - Class C	0.5%	-	-	-	3.4%
Symphony Floating Rate Senior Loan Fund - Class F	0.5%	-	-	-	3.8%
Symphony Floating Rate Senior Loan Fund - Class U	1.4%	5.9%	3.5%	5.6%	-
Credit Suisse Leveraged Loan Index	4.1%	5.2%	4.0%	5.0%	4.4%

(1) Returns are for the periods ended July 31, 2019.

(2) Inception date November 1, 2011.

(3) Inception date January 10, 2017.

The table shows the Fund's compound returns for each period indicated compared with the Credit Suisse Leveraged Loan Index. The Credit Suisse Leveraged Loan Index ("Loan Index") is an appropriate benchmark as it is designed to mirror the investable universe of the US dollar denominated leveraged loan market in which the Fund also invests. The Loan Index is unleveraged and its returns are calculated without the deduction of fees, fund expenses, and trading commissions whereas the performance of the Fund includes the impact of leverage and is calculated after deducting such fees and expenses. Since the Fund is actively managed, the sector weightings may differ from those of the Loan Index.

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You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them.

There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the Fund. You can find more detailed information about the Fund in the public filings available at www.sedar.com. The indicated rates of return are the historical annual compound total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees such as redemption costs or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements contained herein constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this document and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances.

BROMPTON FUNDS

VALUE
INTEGRITY
PERFORMANCE
THE FOUNDATION FOR EXCELLENCE

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