SYMPHONY
FLOATING RATE SENIOR LOAN FUND

BROMPTON FUNDS

SUB-ADVISOR COMMENTARY - DECEMBER 31, 2019

Symphony Floating Rate Senior Loan Fund (the "Fund") returned +2.7% for the month of December 2019. The Credit Suisse Leveraged Loan Index returned +1.61% for the same period.

According to J.P. Morgan, capital markets generally rose on positive investor sentiment towards the U.S. economy, as well as the reduction in major macroeconomic risks. The U.S. economy continued to show signs of resilience, supported by strong consumer data in housing starts and holiday sales estimate, while major macro risks have subsided (e.g., clarity on the direction of Brexit, the announcement of a U.S.-China "Phase One" trade deal). Against this backdrop, duration heavy credit (e.g., investment grade corporates) generated negative returns as U.S. interest rates rose. Higher yielding less rate sensitive credits, including loans and high yield bonds, rose as spreads tightened on the improved sentiment of economic outlook.

Senior loans spreads contracted during the month, with lower quality credits (Bs/CCCs) outperforming higher credits (B+ or higher) for the first time since summer 2019. This was partially driven by outperformance of Energy in the month. In terms of industry performance, all 21 loan industry sectors rose. Leading the rally were Energy, Metals & Mining and Retail issuers that benefitted from improved U.S.-China trade talk. Broadcasting was a laggard despite still having generated positive return. Default volume decreased in December to a low since January; three companies defaulted on a total of $1.9bn in bonds and loans.

Absolute return for the portfolio notably benefitted from good issuer selection within energy, which experienced a strong rebound in December following several months of sell-off. In addition, an expected default of California Resources Corp, an exploration and production company, failed to materialize, further boosting investor sentiment towards the sector. Also aiding performance was the price rebound in the loans of Intelsat, a satellite services company, as investor anxiety around asset sales ebbed. In addition, the loan of iHeart, a media company, rose on potential asset sales. Marginally offsetting these good results was the loan of Belk, a retail company that experienced weaker-than-expected holiday sales.

Fundamentally, the U.S. economy remains robust, particularly relative to other developed economies. Nothing on the horizon suggests defaults will pick up meaningfully over the next 12 months. Technical headwinds from retail mutual fund outflows are expected to dissipate in 2020 as the Fed will likely keep interest rates on hold. The portfolio continues to favor higher quality, more liquid loans given the potential for modestly slower U.S. and global growth over the cyclical horizon. We expect market volatility to be modest in the first half of 2020, with the possibility of periodic spikes as investors react to known and unknown macro events. As the portfolio continues to favor higher quality, more liquid loans, periodic spikes in volatility due to sudden shifts in investor risk aversion should present further opportunities to add incremental risk at depressed price levels.

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	8.3%	3.6%	4.1%	5.7%	-
Symphony Floating Rate Senior Loan Fund - Class C	8.1%	-	-	-	3.2%
Symphony Floating Rate Senior Loan Fund - Class F	8.1%	-	-	-	3.6%
Symphony Floating Rate Senior Loan Fund - Class U	8.8%	3.9%	4.1%	5.4%	-
Credit Suisse Leveraged Loan Index	8.2%	4.5%	4.5%	4.9%	4.4%

(1) Returns are for the periods ended December 31, 2019. The table shows the Fund's compound return for each period indicated compared with the Credit Suisse Leveraged Loan Index ("Loan Index"). The 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.

(2) Inception date November 1, 2011.

(3) Inception date January 10, 2017.

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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.

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