

Sub-Advisor Commentary - January 31, 2024

Symphony Floating Rate Senior Loan Fund (the “Fund”) posted 2.83% for the month of January 2024. The Credit Suisse Leveraged Loan Index returned 0.78% for the same period.

US economic growth was generally strong in January, after a positive end to 2023. In the U.S., the labor market perked up surprisingly, with job growth accelerating to +353,000. The strong headline number combined with upward revisions to prior months kept the unemployment rate low at 3.7%, and takes the three month average pace of job creation up to +289,000, the fastest rate in 10 months. Other measures of economic activity, including personal spending and manufacturing activity, also surprised to the upside. At the same time, inflation continued to moderate, with the latest data showing core PCE inflation down to +2.9% year on year.

Against this backdrop, the Morningstar LSTA US Leveraged Loan Index gained 0.68% in January, outperforming the Bloomberg US Corporate Bond Index (-0.17%) and ICE BofA High Yield Index (+0.02%). The weighted average bid of the Morningstar index remained stable at \$96.27, compared to \$96.23 at the end of 2023. Thanks to a still-strong technical environment arrangers unleashed a barrage of refinancing and repricing transactions in January. Specifically, loan issuance totaled \$136.1 billion, which included \$74.7 billion of repricing, \$51.4 billion of refinancing, and a mere \$10.0 billion of non-refs/repricing, marking the heaviest refinancing and second-largest repricing activity on record. Their implications were twofold: (1) the market is highly liquid enabling (2) borrowers to extend their maturity wall – a positive for fundamentals. Specifically, borrowers reduced 2025 maturities by 9% to \$76 billion and 2026 maturities by 3% to \$171 billion. In terms of defaults, JP Morgan’s par-weighted 12-month default rate including distressed exchanges decreased 8bp m/m to 3.22% in January, but up 140bp from a year ago. For context, the 25-year average default rates are 3.0% (Sources: Leveraged Commentary & Data; Morningstar LSTA US LL Index, JP Morgan)

Exposure to equity obtained through reorganization was the largest contributor to relative performance for the period. Specifically, the reorganization equity of QuarterNorth rose on announcement Talos Energy is acquiring the company. The transaction represents approximately a 35% premium to where QuarterNorth was marked as of Friday January 12th.

Yield to 3-year and spread to 3-year ended the month at 9.04% and 529 bps, respectively. At these levels, we believe senior loans continue to offer one of the most attractive income opportunities. Within the asset class, our main focus remains on higher-quality loans, which offer healthy yields and minimal default risk compared to lower-rated issuers. We believe we are at the beginning of a default cycle, one that should take defaults modestly higher than long term averages, but primarily concentrated within lower quality issuers. Pockets of volatility could emerge if we see a significant increase in downgrade activities to CCCs from B-/B3 issuers, offering opportunities for active managers with a rigorous credit selection process to add alpha. From a supply and demand dynamic, we expect an increase in new issue supply in 2024 and continued demand from both new issue CLO formation and institutions.

nuveen

A TIAA Company

Annual Compound Returns ¹	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception A & U ²
Symphony Floating Rate Senior Loan Fund - Class A	2.8%	11.3%	6.0%	4.0%	3.6%	5.0%
Symphony Floating Rate Senior Loan Fund - Class U	2.8%	11.5%	5.9%	4.3%	3.6%	4.9%
Credit Suisse Leveraged Loan Index	0.8%	11.1%	5.5%	5.2%	4.4%	5.0%

(1) Returns are for the periods ended January 31, 2024 and are unaudited. 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 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. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on net asset value per unit and assumes that distributions made by the Fund on its units in the period shown were reinvested at net asset value per unit in additional units of the Fund.

(2) Inception date November 1, 2011.

This document is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities referred to herein. The opinions contained in this report are solely those of Nuveen Asset Management LLC ("Nuveen") and are subject to change without notice. Nuveen makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, Nuveen assumes no responsibility for any losses or damages, whether direct or indirect which arise from the use of this information. Nuveen is under no obligation to update the information contained herein. The information should not be regarded as a substitute for the exercise of your own judgment. Please read the Fund's annual information form before investing.

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.sedarplus.ca. 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.

Information contained in this document was published at a specific point in time. Upon publication, it is believed to be accurate and reliable, however, we cannot guarantee that it is complete or current at all times. 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.



VALUE
INTEGRITY
PERFORMANCE
THE FOUNDATION FOR EXCELLENCE

Investor Relations
PHONE 416.642.6000
TOLL FREE 1.866.642.6001
FAX 416.642.6001
info@bromptongroup.com
www.bromptongroup.com

Address
Bay Wellington Tower,
Brookfield Place
181 Bay Street
Suite 2930, Box 793
Toronto, Ontario M5J 2T3