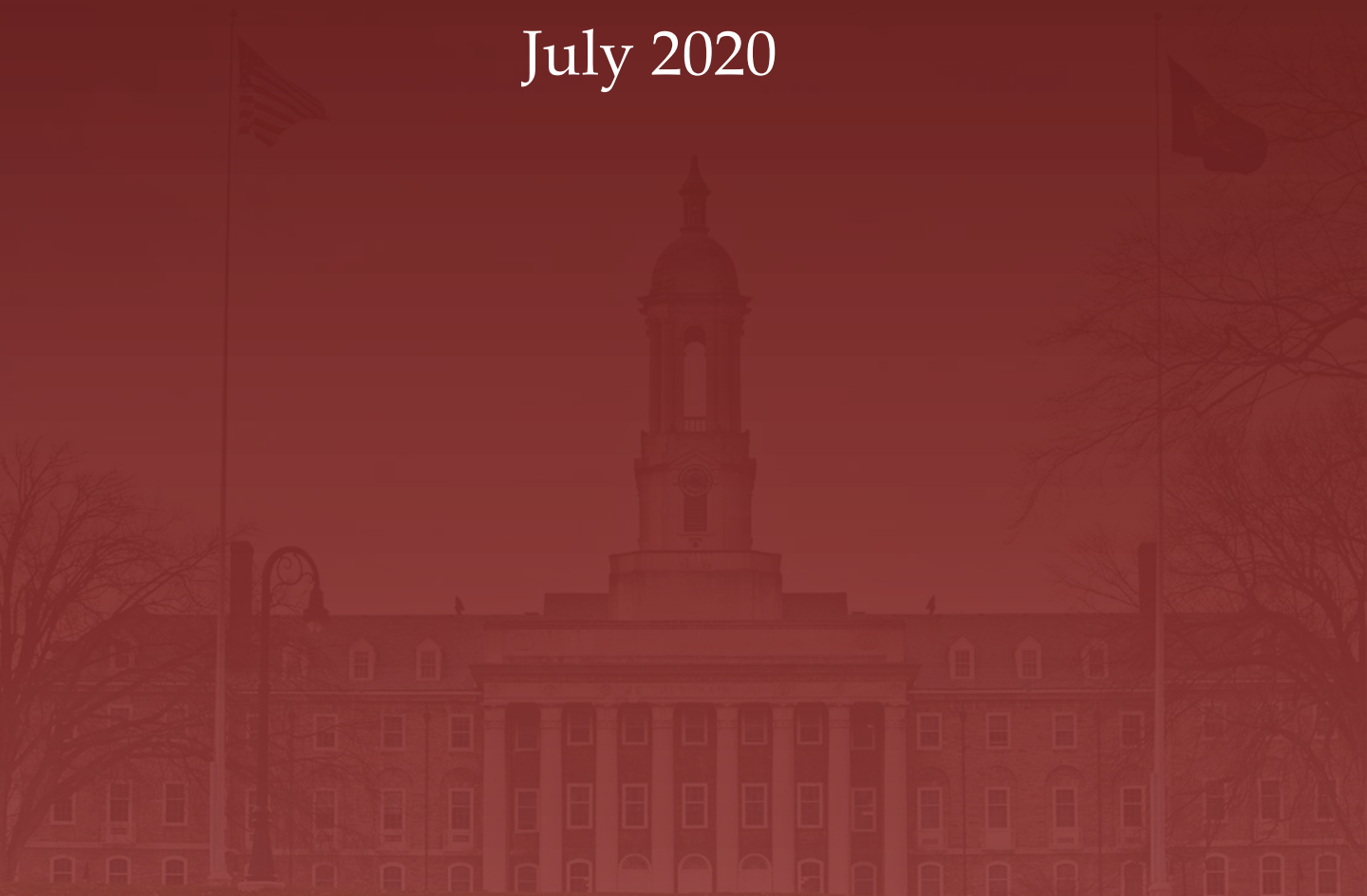


# Leveraged Lion Capital Monthly Report

July 2020



# Organization Developments

## LLC Updates

Leveraged Lion Capital's rising seniors' virtual internships have been coming to a close or finished, and the organization's focus is now moving towards navigating students' return to campus.

In July, Leveraged Lion Capital hosted another summer Zoom call with Pasquale Stano, an Analyst in Morgan Stanley's Leveraged Debt Capital Markets Group. Rising seniors talked about their internships and how LLC prepared them for their respective programs. Pasquale caught members up on leveraged finance primary and secondary markets and discussed some recent deals, including a Morgan Stanley led green bond offering.

Current LLC members have continued to participate in Summer 2021 recruitment events and interviews during the month of July. With the summer coming to an end, LLC looks forward to announcing internship placement for the Classes of 2021 and 2022 in the coming months. At this moment, several rising juniors have already received internship offers for Summer 2021, and the organization hopes that every LLC analyst will be able to seek opportunities at some of the country's most respected firms. Meanwhile, a handful of rising seniors have received full-time offers, and we look forward to providing a full update next month.

As we head back to campus for the Fall, LLC is set to be a 3 credit Smeal course, and classes will be conducted over Zoom. The Exec board and Dr. Woolridge are looking to find a way to meet at least once a week in person.

## Summer '20 Rising Senior Placements

Name	Placement	Division	Location
John Colendenski	J.P. Morgan	Sales & Trading	New York, NY
Tommy Lu	Bank of America	Investment Banking	New York, NY
Kevin Kalnas	Guggenheim Partners	Investment Banking	New York, NY
Colton Brooks	UBS	Investment Banking	New York, NY
Swati Vipplerla	Deutsche Bank	Investment Banking	New York, NY
Billy Young	Bank of America	Sales & Trading	New York, NY
Jack Williamson	Cowen	Investment Banking	New York, NY
Janeen Porter	Citigroup	Sales & Trading	New York, NY
Miguel Rios	Deutsche Bank	Asset Management	New York, NY
Taylor Twamley	Morgan Stanley	Credit Research	New York, NY
Nevin Matthew	J.P. Morgan	Sales & Trading	New York, NY
Amanda Lew	Santander	Investment Banking	New York, NY
Brandon Huey	Bank of America	Investment Banking	New York, NY
Andrew Mader	Truist	Investment Banking	Atlanta, GA
Christina Flowers	Deutsche Bank	Sales & Trading	New York, NY
Julia Serafini	Citigroup	Sales & Trading	New York, NY
Micheal Anderson	Barclays	Investment Banking	New York, NY
Nicole Chen	Guggenheim Partners	Investment Banking	New York, NY
Jia Chen	PNC	Investment Banking	Pittsburgh, PA
Thomas Viafora	J.P. Morgan	Wealth Management	New York, NY

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## Alumni Spotlight: Taylor Campbell '20

### *1. When were you a member of LLC, what positions did you hold?*

LLC Positions (Spring 2017-Fall 2019) - President, Lead Analyst of the Natural Resources Sector, Associate Analyst of the Natural Resources Sector

### *2. How did LLC help prepare you for your career?*

The organization was my first experience in leveraged finance. As an Associate Analyst in the Natural Resources sector, my primary responsibilities were to complete assigned pitch slides and to update periodicals. That chapter was a steep learning curve, familiarizing myself with different types of analysis as well as the importance of Excel and PowerPoint. As a Lead Analyst in the Natural Resources sector, my primary responsibilities shifted toward developing theses on asset allocation and idiosyncratic viewpoints on my sector's holdings. Additionally, I focused on relative value analysis as well as credit and covenant analysis to weigh an investment's upside against areas of potential value leakage. Finally, as President, my primary responsibilities shifted toward an administrative and outreach type role, working with the school and alumni to increase exposure and placement. The lessons that I learned in each position were quintessential toward my professional growth and are directly

Taylor is a LatAm Corporate Credit Research Analyst at Barclays. Taylor graduated from Penn State in 2020, where he served as the President of LLC during the 2019 calendar year and was the Lead Analyst of the Natural Resources Sector. Taylor interned with Morgan Stanley during the summer of 2019 in Fixed Income Sales and Trading before going to Barclays full time.

applicable to my job at Barclays. Working full-time in credit research is effectively getting paid to do what we all loved doing in LLC.

### *3. What advice would you give to the new members of LLC?*

For the new members of LLC, commit to the process of learning the new material. Understanding accounting and financial statement analysis can be daunting at first. Allocate time to properly go through the guides as this will serve as your foundation for investment analysis. Additionally, be attentive at weekly meetings, take notes on the pertinent material, and don't be afraid to ask questions. If you're struggling to understand a topic, chances are a handful of other new members are in your boat. Finally, exhaust all of the resources that Penn State has to offer. Familiarize yourself with Bloomberg and FactSet, and consult with Robin Stevens to reach out to alumni.

### *4. What advice would you give to current LLC members for their internships this summer?*

For the LLC members with upcoming summer internships, use this time to prepare and make connections. Focus on developing your understanding of the credit markets (and/or your respective field), enhancing your public speaking skills, and growing your professional network. Speaking toward my summer internship in Sales & Trading, it's hard to add value as an intern. The best way to differentiate yourself is to have a fundamental understanding of the products, an effective way of communicating that understanding, and an audience that is already familiar with you both personally and professionally. Treat every day on the job as an interview, but don't forget to show your personality.

## Leveraged Loan & HY Bond News

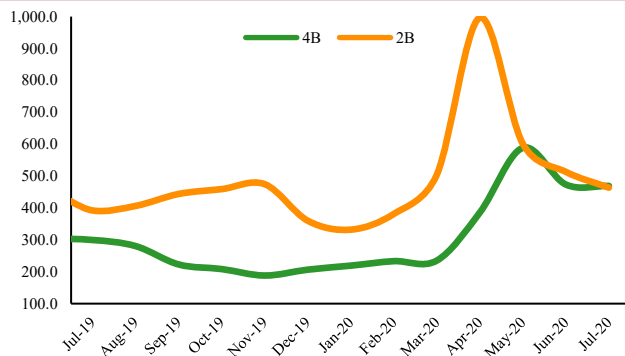
Leveraged Loans returned 2.11% during July, underperforming High Yield's 3.81%. The month saw net issuance tumble to a four-month low of \$7.3 bn, down from \$20.0 bn in June. Gross priced volume clocked in at \$11.6 bn, which is a significant decline from \$32.3 bn in June, albeit slightly higher than \$9.9 bn in May. CLO activity eased slightly to \$7.8 bn, from \$8.2 bn in June, but remains well above March, April and May's levels. Meanwhile, outflows from loan mutual funds slowed to a seven-month low of \$900.0 mm, from \$1.1 bn in June. Repayment activity unrelated to new issues picked up in July, supported by bond-for-loan takeout deals such as Blue Yonder and Forterra. LFI tracked \$5.4 bn of repayments unrelated to new issues hitting the market in July, up from \$2.4 bn in June. Finally, the CS Index outstandings were little changed in July, contracting by merely \$851.0 mm.

Within the HY space, July saw yet another record month of issuance as rates fell. The primary market clocked in at \$27.4 bn of issuance, while the secondary market grinded higher to finish the month with the best July performance since 2009. The gains were tied to many technical factors beyond the Federal Reserve's stimulus, which includes unprecedented buying of corporate bond ETFs as well as individual fallen-angel corporate bonds, such as the decline in treasury yields and the accompanying search for yield across corporate credit.

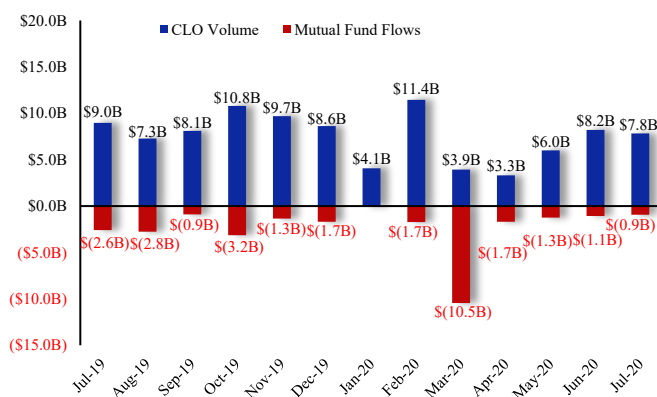
## CIO Commentary

For the month ending July 2020, Leveraged Lion Capital's loan portfolio returned 1.33% nominally, a relative underperformance to the LSTA 100 Index of (0.78%). Meanwhile, Leveraged Lion Capital's HY Bond portfolio returned 7.31% nominally, a relative outperformance to the HY Index of 3.49%. Since many members were interning during the month of July, the organization did not pitch any new transactions and merely monitored existing holdings. Throughout the month, only 3 out of 24 total holdings traded down, with the best performing holding, Hexion, trading up 11.02% and the worst performing holding, CVGI, trading down (5.40%).

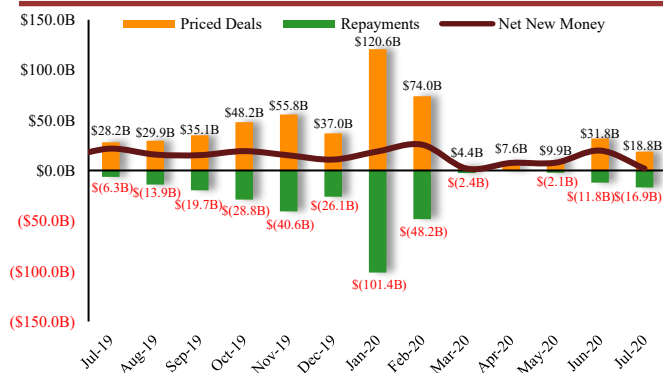
## Net New Money



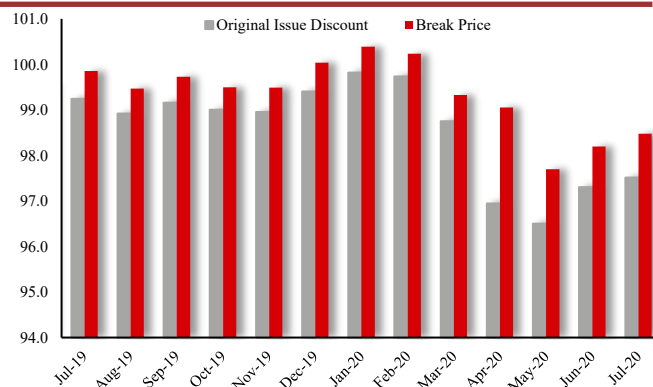
## CLO/Mutual Fund Flows



## Regular Way Deal Pricing



## Break vs. Issue Price





## New-Issue Market Trends

July saw the secondary market continue to push higher with relatively few deals in market, and all-in single B spreads contract to L+464. The flex ratio clocked in at 11:2 during the month, which was a result of the thin slate of deals in market forcing investors to pile into regular-way deals. Furthermore, with four issuers landing a 0.75% floor in July, issuers are increasingly seeking floors lower than 1.00%. Finally, both break prices and OIDs increased as market conditions improved and arrangers brought forward more regular-way business, with the average break price ticking up to 98.48 and the OID tightening to 97.52.

## Credit/Documentation Trends

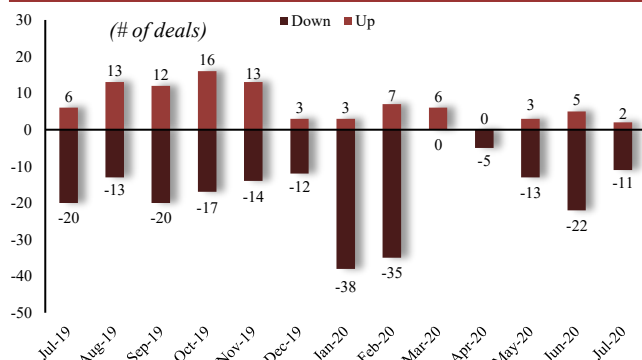
July was heavily in favor of issuers, in both economic terms and documentation terms, capping off a three-month trend of returning favor to issuers and sponsors. The three months ended July 31 saw the percentage of loans with uncapped EBITDA adjustments increase to ~43%, which is an increase from ~39% in Q2. Furthermore, the percentage of loans with F&C grower components ticked up to ~61% from ~56%, and the percentage of loans with an inside maturity carve-out slightly increased to ~37% from ~34%. Finally, the share of deals with an MFN sunset edged up to ~20% from ~17% in Q2.

## Default Statistics

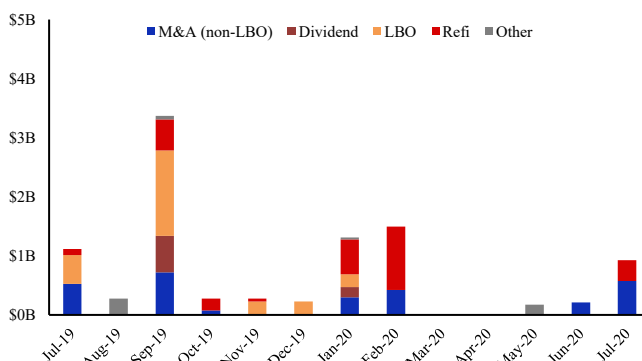
The month of July saw seven issuers default, pushing the TTM default rate to 4.2% – the highest level since May 2010. The seven defaults, which included Ascena Retail, California Resources, Global Eagle Entertainment, Mashantucket Pequot Tribal Nation, Polyconcent, TNT Crane & Rigging and WorldStrides, totaled \$5.5 bn. During the month, the percentage of CS Index loans rated triple-C held steady at 7.60%. The sole issuer to be added to *Fitch's Top Loans of Concern* was Hornblower.

Data and charts used in the July CIO Commentary (pages 2 & 3) were directly retrieved from the LevFin Insights July Monthly Report, the Loan Syndications and Trading Association (LSTA) "July Secondary Market Monthly," Covenant Review, Fitch Ratings, and Thomson Reuters Lipper for educational purposes only. Data and charts for the Monthly Charts (located on pages 6 and 7) and Portfolio Analytics Report (pages 8 and 9) were directly retrieved from Bloomberg, the LSTA, and S&P Global for educational purposes only. Leveraged Lion Capital is not associated with any of the aforementioned organizations and does not take credit for data and charts used in this report. No copyright infringement intended.

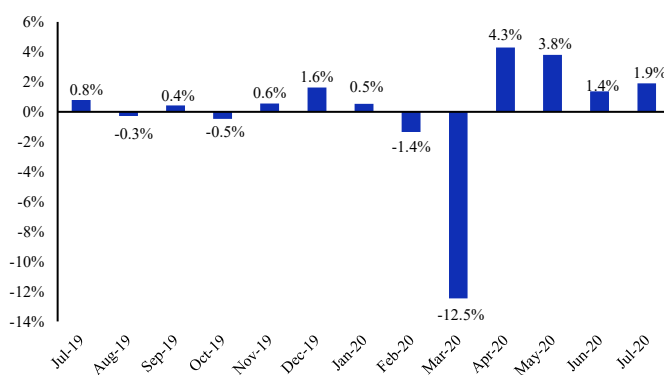
## Flex Activity



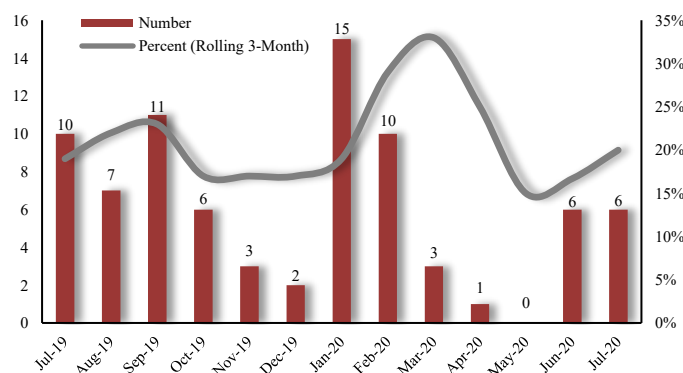
## New-Issue Middle-Market Loan Volume



## Monthly Returns



## Deals That Cleared with MFN Sunsets



# Leverage Statistics

## Covenant Statistics

Covenant Stats (L3M)				
	Sponsored Loans		Non-sponsored Loans	All Loans
	Issue backed by Large Sponsors	Issue backed by Other Sponsors		
<b>Key Metrics: Minimum Day-One Capacity (turns of PF Adj. EBITDA)</b>				
General Purpose Debt	1.86x	1.51x	1.14x	1.47x
Restricted Payments	0.45x	0.50x	0.25x	0.37x
Investments in Unrestricted Subs	1.16x	1.08x	0.90x	1.09x
<b>Accordion</b>				
Percentage with an Accordion Inside Maturity Carveout	63.2%	40.0%	25.0%	43.6%
<b>Asset Sale Sweep</b>				
Percentage with an Asset Sales Sweep Step Down	57.9%	25.0%	18.8%	34.6%
<b>ECF Sweep</b>				
Percentage with initial ECF Sweep at $\geq 75.0\%$	5.0%	25.0%	6.3%	12.7%
<b>Financial Maintenance Covenant Springing Tests</b>				
Percentage with Springing Covenants	84.2%	65.0%	25.0%	60.0%
Avg. Revolver Utilization Threshold for Covenant Springing Tests	35.4%	34.2%	25.3%	33.6%
Percentage with First Lien Leverage Test	73.7%	70.0%	12.5%	54.6%
Avg. First Lien Leverage Initial Test	7.44x	6.66x	5.43x	6.94x
Avg. Headroom @ Close to First Lien Leverage Initial Test	3.36x	2.71x	2.23x	2.98x
<b>EBITDA Adjustments – Synergies &amp; Cost Savings</b>				
Percentage of Loans That Allow Uncapped Adjustments	57.9%	40.0%	18.8%	40.0%
Avg. Cap if Capped Adjustments Based on EBITDA	24.0%	23.0%	17.0%	20.8%
Avg. Time Horizon for Actions Resulting in Addbacks (Months)	28.1	21.7	18.0	22.9

## Credit Statistics

Loan Covenant Trend Summary Table													
As of 07/22/2020	2017		2018				2019				2020		Increase / Decrease
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Credit Stats													
Percentage with Uncapped EBITDA Adjustments	45%	40%	63%	43%	53%	42%	33%	38%	31%	34%	54%	39%	↓
Accordion Free-and-Clear Tranche													
Avg. Hard Cap / Pro Forma Adj EBITDA (M&A Related)	0.82x	0.87x	0.94x	0.78x	0.86x	0.80x	0.75x	0.78x	0.83x	0.85x	0.88x	0.79x	↓
Avg. Hard Cap / Pro Forma Adj EBITDA (All Deals)	0.81x	0.82x	0.86x	0.79x	0.89x	0.76x	0.74x	0.78x	0.82x	0.75x	0.81x	0.68x	↓
Percentage with Growers	56%	53%	73%	61%	84%	67%	74%	92%	70%	72%	77%	56%	↓
Percentage with Inside Maturity	15%	29%	32%	35%	39%	22%	38%	41%	45%	34%	53%	34%	↓
MFN													
Percentage with MFN Sunset	21%	21%	32%	26%	32%	17%	20%	26%	23%	19%	33%	17%	↓
Count with MFN Sunset	22	31	60	50	35	25	18	29	28	11	28	7	↓
Percentage with MFN Carveouts													
Dollar-Capped	29%	20%	56%	32%	56%	29%	23%	22%	24%	23%	36%	20%	↓
Maturity	27%	24%	49%	38%	33%	24%	40%	38%	29%	28%	51%	22%	↓
Mandatory Prepayments													
Percentage with Asset Sale Sweep Step-downs	35%	31%	49%	40%	45%	38%	31%	41%	38%	31%	52%	30%	
Minimum Day-One Capped Basket Capacity													
General Purpose Debt	1.58x	1.48x	1.67x	1.59x	1.76x	1.47x	1.56x	1.72x	1.65x	1.48x	1.68x	1.38x	↓
General Restricted Payments	0.44x	0.49x	0.52x	0.46x	0.54x	0.47x	0.47x	0.45x	0.53x	0.36x	0.61x	0.35x	↓
Unrestricted Subsidiary Investments Capacity	1.05x	1.00x	1.29x	1.22x	1.31x	1.09x	1.24x	1.07x	0.99x	0.93x	1.25x	1.00x	↓

Credit Stats (L3M)				
	Sponsored Loans		Non-sponsored Loans	All Loans
	Issue backed by Large Sponsors	Issue backed by Other Sponsors		
Avg. EBITDA of Issuers (\$M)	688.18	631.22	1228.53	828.24
Avg. Tranche Size	907.49	882.98	637.37	820.00
<b>Credit Stats (M&amp;A Deals Only)</b>				
Avg. EBITDA Adjustment (as % of Pro Forma Adjusted EBITDA)	20.7%	21.0%	N/A	20.9%
Avg. Gross PF Adjusted Total Leverage	4.86x	4.58x	N/A	4.72x
Avg. Gross PF Adjusted Total Leverage incl. Free-and-Clear Tranche Only	5.56x	5.23x	N/A	5.39x
Avg. Gross PF Adjusted Total Leverage incl. General Purpose Debt Capacity	6.35x	5.92x	N/A	6.14x
Percentage of Deals with Gross Adjusted Pro Forma Debt/EBITDA $\geq 6x$	42.9%	28.6%	N/A	35.7%
<b>Percentage of Deals Cov-Lite</b>				
All Loans	89.5%	86.4%	77.8%	84.8%

# Sector Summaries

## Consumer & Retail

Consumer & Retail loans returned 1.78% nominally this month and bonds returned 8.93%. The Sector's best performing holding this month was GameStop's Senior Unsecured Bond, trading up 8.93% nominally. The demand for stay-at-home entertainment continues to surge as consumers await next-generation gaming consoles scheduled to release during the 2020 holiday season. The Sector's worst performing holding was YUM Brands's Term Loan B, returning 0.20% nominally. YUM Brands's second quarter earnings revealed a 15.00% decline in same-store sales due to several retail closures. The Sector will continue to monitor the acceleration of e-commerce and the change in U.S. retail sales month-over-month as both May and June reported growth of 18.20% and 7.50%, respectively.

## Energy & Utilities

Energy loans returned 2.20% nominally this month and bonds returned 0.28% nominally. The Sector's best performing holding this month was California Resources's Term Loan B, trading up 3.88% nominally. As a result of sustained low commodity prices, the Company filed for Chapter 11 bankruptcy on July 15, 2020, seeking relief from \$5.0 bn in outstanding debt. The Sector's worst performing holding this month was Summit Midstream's Senior Unsecured Notes, returning 0.28% nominally. The Company revised its FY2020 adjusted EBITDA guidance to a range of \$250.0 mm to \$260.0 mm, down from an original range of \$260.0 mm to \$285.0 mm, citing recent production shut-ins as the primary reason. The Sector will continue monitoring the financial health and potential bankruptcies of North American drilling companies as many continue to struggle to operate under current market conditions.

## Healthcare

Healthcare loans returned (0.10%) nominally this month and bonds returned 1.52% nominally. The Sector's best performing holding this month was Teva Pharmaceutical's Senior Unsecured Bond, trading up 1.52% nominally. Teva is accelerating its activity in the Japanese market through pipeline opportunities and product approval of fremanezumab, a treatment for migraines. The Sector's worst performing holding this month was CryoLife's Term Loan B, returning (0.10%) nominally. The Company reported \$53.8 mm in revenue in 2Q2020, a 24.00% decrease from 2Q2019, and repaid \$30.0 mm of a revolving credit facility. The Sector will be monitoring Biogen's submission of aducanumab, a drug that may be a breakthrough in treating Alzheimer's disease if approved by the FDA, which could happen as early as March 2021.

## Industrials

Industrials loans returned (0.98%) nominally this month and bonds returned 9.87% nominally. The Sector's best performing holding this month was Tutor Perini's Senior Unsecured Bond, trading up 9.87% nominally. Tutor Perini's impressive performance was driven by 13.00% y/y increase in revenue during 2Q2020 complemented by \$92.2 mm in operating cash flow, the Company's best since 2008. The Sector's worst performing holding this month was CVGI's Term Loan B, returning (5.40%) nominally. CVGI was forced to close its Piedmont, Alabama facility in July as a result of COVID-related cost reductions. The Sector will be monitoring geopolitically destabilizing sanctions levied by U.S. and China in the most recent tit-for-tat exchange that could impair already strained trade relations between the two global giants.

# Sector Summaries

## Information Technology

Information Technology loans returned 1.26% nominally this month and bonds returned 5.68% nominally. The Sector's best performing holding this month was Dell Technologies's Senior Unsecured Bond, trading up 5.68% nominally. Dell announced on July 15<sup>th</sup> a possible sale of its 81.00% stake in the technology company, VMware, a position worth nearly \$50.0 bn. The Sector's worst performing holding this month was Lattice Semiconductor's Term Loan B, returning 0.57% nominally. Lattice reported a 3.00% growth in revenue for 2Q2020 along with a GAAP EPS of \$0.08 compared to 2Q2019 GAAP EPS of \$0.06. The Sector will continue monitoring Microsoft's negotiations with ByteDance to buy all of TikTok's global business, including its operations in India and Europe, in addition to its U.S. and Canada operations.

## Materials

Materials loans returned 3.95% nominally this month and bonds returned 11.02% nominally. The Sector's best performing holding this month was Hexion's Senior Unsecured Bond, trading up 11.02% nominally. The Company announced it will be partnering with Wayfinder Corporation to better serve resin coated proppant users in the Western Canadian Sedimentary Basin. This strategic partnership joins Hexion's leading resin and chemical expertise with Wayfinder's new state-of-the-art manufacturing and logistics network. The Sector's worst performing holding was Boise Cascade's Term Loan B, returning 3.95% nominally. The market reacted positively to the Company's 2Q2020 earnings, reporting net income of \$33.6 mm. The engineered wood products and plywood company posed revenue of \$1.2 bn during the period. The Sector will be monitoring the release of the Home Builders Index on August 15<sup>th</sup>.

## Media & Communications

Media & Communications returned 1.90% nominally this month. The Sector's best performing holding this month was Beasley Broadcast's Term Loan B, trading up 1.90% nominally. The Company reported a loss in the 2Q2020 in which net revenue dropped nearly 54.00% due to declines in commercial and digital advertising caused by COVID-19. Beasley has taken proactive steps to advance its digital initiatives and generate new innovative revenue diversification strategies. The Sector's other holding, Sprint's Term Loan B, was repaid at par during the month of May. The Sector will continue to monitor advancements in the telecom industry as digital innovation and emerging tech trends are expected to reshape business growth beyond 2020.

## REGAL-FIG

REGAL-FIG loans returned (1.42%) nominally this month and bonds returned 4.33%. The Sector's best performing holding this month was Realogy's Senior Unsecured Notes, trading up 8.41% nominally. Realogy's 2Q2020 earnings detailed changes to the existing capital structure that extended the nearest debt maturity to 2023 by refinancing the 2021 Unsecured Notes. The Sector's worst performing holding this month was Walker & Dunlop's Term Loan B, returning (0.26%) nominally. In 2Q2020, Walker & Dunlop experienced a 2.00% decrease in transaction volume y/y; however, revenue increased 26.00% y/y to \$252.8 mm, breaking a record in Walker & Dunlop's financial history. The Sector will be monitoring the CMBS delinquency rate as an indicator of continuous tension in commercial real estate lending.



# Portfolio Analysis

# LLC

## CURRENT HOLDINGS

Company Name	Sector	Maturity	LIBOR Spread	Yield at Int. Pmt.	Buy-In Amount	Opening Price <sup>1</sup>	Closing Price	Facility Rating <sup>2</sup>	July Return (%)
YUM Brands, Inc	Consumer	4/03/2025	L + 175	1.92%	\$5,084.40	\$96.93	\$96.97	Ba3/BB	0.20%
Winnebago	Consumer	11/08/2023	L + 350	3.51%	\$6,101.40	\$97.94	\$100.00	B2/BB	2.10%
Chefs' Warehouse	Consumer	6/22/2022	L + 400	4.31%	\$4,271.00	\$96.41	\$98.79	B2/B+	2.85%
GameStop	Consumer	3/15/2021	6.75%	7.67%	\$10,421.41	\$81.17	\$87.85	Ba2/BB-	8.93%
Par Pacific	Energy	1/11/2026	L + 675	7.96%	\$1,893.04	\$87.75	\$88.50	B1/BB-	1.52%
California Resources	Energy	12/31/2022	L + 475	28.57%	\$3,842.23	\$36.24	\$36.76	B2/B	3.88%
Summit Midstream	Energy	8/15/2022	L + 000	9.68%	\$4,068.65	\$65.80	\$65.45	Ba3/BB+	0.28%
Cryolife	Healthcare	12/01/2024	L + 325	3.44%	\$4,044.00	\$98.25	\$97.88	B2/B	-0.10%
Teva Pharmaceuticals	Healthcare	12/18/2022	2.95%	3.05%	\$4,864.53	\$91.34	\$92.49	Ba2/BB	1.52%
Tutor Perini	Industrials	5/01/2025	6.88%	6.65%	\$4,865.77	\$91.84	\$100.35	B2/B+	9.87%
CVGI	Industrials	4/12/2023	L + 600	6.30%	\$2,473.00	\$96.50	\$90.81	B2/B	-5.40%
Ducommun Incorporated	Industrials	11/21/2025	L + 400	4.19%	\$5,037.38	\$93.56	\$94.44	B2/B+	1.29%
Lattice Semiconductor	IT	5/17/2024	L + 175	2.06%	\$5,153.14	\$95.25	\$95.63	B2/B	0.57%
Dell	IT	4/15/2038	6.50%	6.24%	\$2,600.00	\$107.82	\$113.35	Ba2/BB-	5.68%
Casa Systems	IT	12/20/2023	L + 400	3.70%	\$4,000.00	\$92.03	\$93.85	B3/B-	2.30%
Maxar Technologies	IT	10/05/2024	L + 275	2.77%	\$1,750.00	\$95.06	\$95.44	B2/B	0.63%
Hexion	Materials	7/01/2027	L + 000	7.27%	\$5,082.00	\$89.84	\$99.14	Ba2/BB-	11.02%
Boise Cascade	Materials	3/30/2026	L + 213	2.20%	\$5,082.00	\$96.38	\$100.00	Ba2/BB-	3.95%
Beasley Broadcast	M&C	11/01/2023	L + 400	4.28%	\$8,000.00	\$97.75	\$99.25	NR/B	1.90%
Virtu Financial	REGAL-FIG	3/01/2026	L + 300	3.22%	\$2,148.86	\$97.75	\$99.25	Ba3/B+	1.81%
Walker & Dunlop	REGAL-FIG	11/10/2025	L + 200	2.20%	\$1,453.94	\$98.00	\$97.56	Ba2/BBB-	-0.26%
Lindblad Expeditions	REGAL-FIG	3/27/2025	35000.00%	4.43%	\$3,000.00	\$82.88	\$83.13	B1/BB	0.67%
Realogy	REGAL-FIG	4/01/2027	L + 000	8.75%	\$3,113.90	\$95.24	\$102.50	B3/B	8.41%

## SECTOR ANALYSIS

Sector Analysis	Loans	LSTA 100 <sup>3</sup>	Relative	Bonds	LLCHY <sup>3</sup>	Relative
Consumer & Retail	1.78%	2.50%	-0.72%	8.93%	4.52%	4.41%
Energy	2.20%	2.98%	-0.78%	0.28%	5.39%	-5.11%
Healthcare	-0.10%	2.39%	-2.49%	1.52%	4.33%	-2.81%
Industrials	-0.98%	2.60%	-3.57%	9.87%	4.70%	5.17%
IT	1.26%	1.86%	-0.60%	5.68%	3.36%	2.32%
Materials	3.95%	2.38%	1.57%	11.02%	4.31%	6.72%
Media & Communications	1.90%	2.11%	-0.21%	-	3.82%	-
REGAL-FIG	0.84%	2.25%	-1.42%	8.41%	4.07%	4.33%
<b>Total</b>	<b>1.33%</b>	<b>2.11%</b>	<b>-0.78%</b>	<b>7.31%</b>	<b>3.81%</b>	<b>3.49%</b>

## PORTFOLIO OVERVIEW

### LLC Portfolio (beginning 1/1/2018)

Beginning Portfolio Value	\$124,854.79
Current Portfolio Value	<b>\$95,236.83</b>
Cash Balance	\$39,404.97

### LLC Portfolio (YTD)

Beginning Portfolio Value	\$141,666.55
Current Portfolio Value	<b>\$95,236.83</b>
Cash Balance	\$39,404.97

## RELATIVE PERFORMANCE

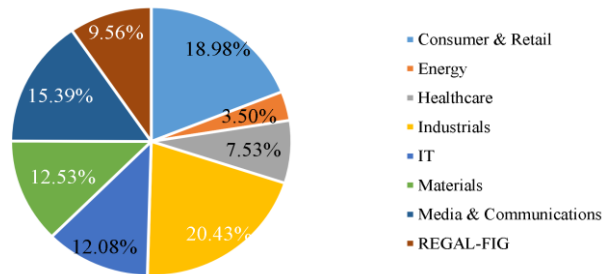
### July 2020 Performance

Leveraged Lion Capital	1.33%
LSTA 100 Index	2.11%
LLC vs. LSTA 100	-0.78%
LLC HY	3.81%
LLC vs. LLC HY	3.49%

### YTD Performance

Leveraged Lion Capital	-4.96%
LSTA 100 Index	-1.98%
LLC vs. LSTA 100	-2.98%
LLC HY	-3.16%
LLC vs. LLC HY	-1.80%

## PORTFOLIO BREAKDOWN



### JULY BEST PERFORMER



### JULY WORST PERFORMER



## NOTES

<sup>1</sup> Opening prices for instruments added to the portfolio during the month are the price at market close on the day that the position was initiated, not necessarily the start of the month. <sup>2</sup> Most recent available ratings. <sup>3</sup> Estimates for LSTA 100 and "LLC High Yield" index individual sector performance. For the most accurate measure of Leveraged Lion Capital's relative performance, please refer to Total figures.

# Spring 2020 Organizational Overview

Leveraged Lion Capital is the nation's first student-run syndicated paper loan and high yield bond portfolio. Founded in Spring 2017 at the Pennsylvania State University, the organization aims to educate undergraduate students about the world of fixed income through the utilization of various resources and unique relationships with financial organizations and institutions, including Bank of America Merrill Lynch, the LSTA, and S&P Global Market Intelligence. Managing an approximately \$125 million paper portfolio, students seek to learn the fundamentals of credit analysis via a hands-on approach by researching, analyzing, and pitching U.S. leveraged loans and high yield bonds to the rest of the organization. The portfolio is divided into eight sectors that are derived from the S&P/LSTA 100 Index, consisting of Consumer & Retail, Energy, Healthcare, Industrials, Information Technology, Materials, Media & Communications, and REGAL-FIG (Real Estate, Gaming & Leisure, Financial Institutions Group).

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