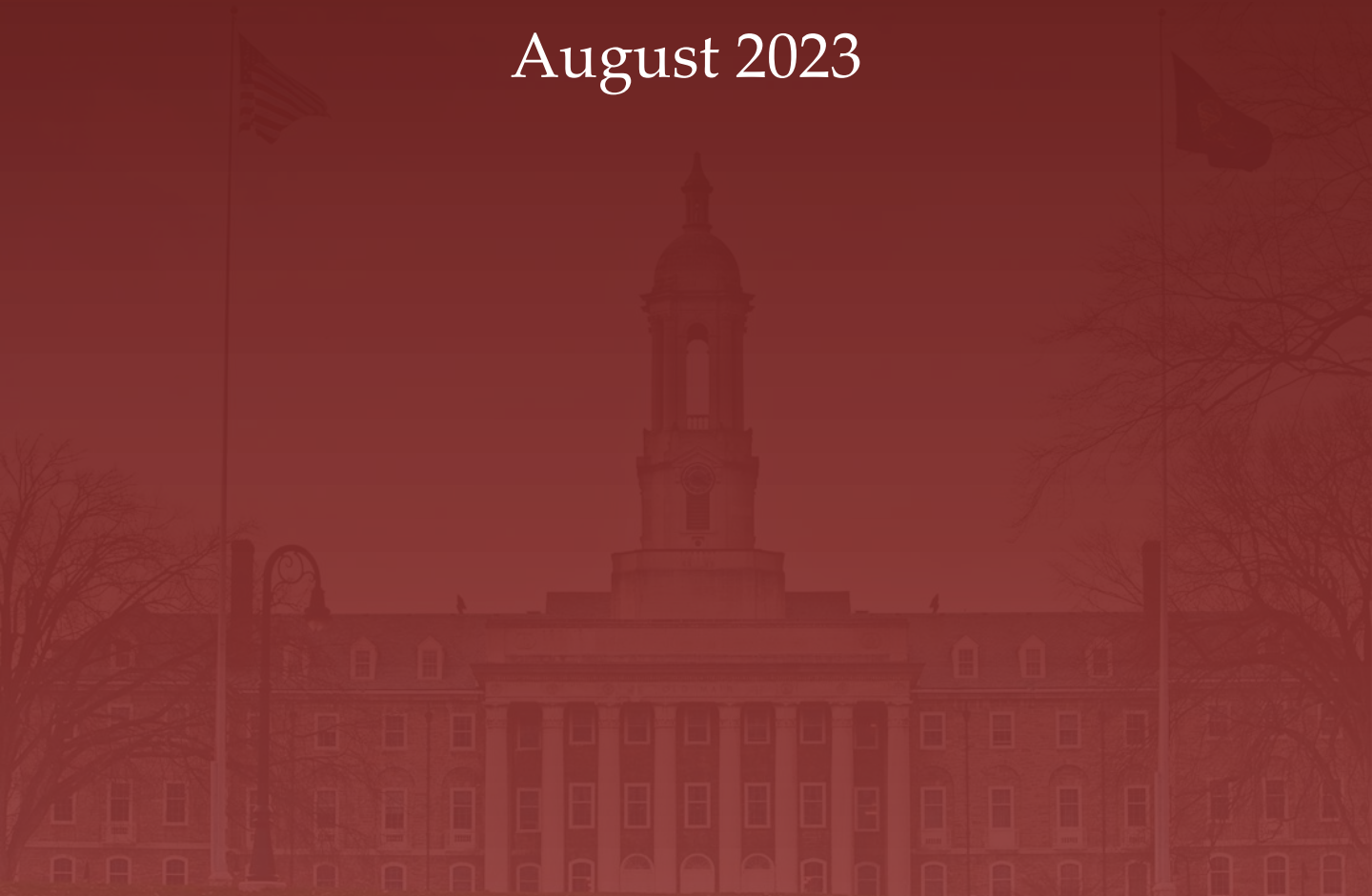


Leveraged Lion Capital Monthly Report

August 2023



LLC Updates

The summer was a busy time for Leveraged Lion Capital as members completed their internships across Wall Street. The class of 2024 completed internships and secured full-time offers in investment banking, sales & trading, credit research, private credit, and more.

Additionally, the Executive Board reinstated the LLC summer program. Portfolio Managers met over Zoom to present case studies and sector overviews. New Associate Analysts, returning Associate Analysts, and Lead Analysts also completed summer onboarding. This included building a three-statement and DCF model, analyzing a recent M&A transaction, and completing covenant analysis for a leveraged loan.

On July 18, LLC members and alumni attended the Annual Nittany Lion Fund & Leveraged Lion Capital Summer Social in New York City. This was an incredible networking opportunity for our students and reinforced our connection with Leveraged Lion Capital's dedicated alumni base.

Looking ahead, we are looking forward to a busy and exciting Fall 2023 semester!

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Note: Credit Market News & CIO Commentary temporarily paused due to issues with LevFin Insights access.

LLC 2024 Full-Time Placement

Name	Placement	Division	Location
Chase Adler	Morgan Stanley	Investment Banking	New York, NY
Tishe Olaleye	Bank of America	Investment Banking	New York, NY
Emily Hu	Lazard	Restructuring	Chicago, IL
Rohith Bodduluri	BNP Paribas	Sales & Trading	New York, NY
Charles Qu	Harris Williams	Investment Banking	Richmond, VA
Aidan Martin	JP Morgan	Asset Management	Columbus, OH
Nick Tevis	Bank of America	Investment Banking	New York, NY
Vineeth Gabbireddy	Citigroup	Sales & Trading	New York, NY
Michael Solo	Wells Fargo	Sales & Trading	Houston, TX
Jane Hoeflinger	UBS	Investment Banking	New York, NY
Gabby Sabatini	Cresset Capital	Wealth Management	Reston, VA
Dylan Verschleiser	Piper Sandler	Investment Banking	Minneapolis, MN
Emily Felitsky	Bank of America	Sales & Trading	New York, NY
Bobby Hydrisko	StepStone Group	Private Credit	New York, NY
Alex Furry	JP Morgan	Credit Research	New York, NY

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Joseph D'Ignazio currently works as a Private Equity Analyst at Graham Partners. Before his current role, he joined Leveraged Lion Capital in Spring of 2020. Starting off as a member of the Healthcare sector and ending off as the Director of PAG. While at Penn State, he not only graduated with a major in Industrial Engineering, but also with a minor in Economics in the Spring of 2022.

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Alumni Spotlight: Joseph D'Ignazio '22

1. *When were you a member of Leveraged Lion Capital and what positions did you hold?*

I was a member of LLC from Spring of 2020 to Fall of 2021. During my tenure, I covered the Healthcare sector and served as Director of Portfolio Analytics before graduating with a degree in Industrial Engineering and a minor in Economics in Spring of 2022.

2. *Where do you currently work and what is the role?*

I am currently a Private Equity Analyst at Graham Partners, a private investment firm targeting leading technology-driven advanced manufacturing companies ranging ~\$10-\$50MM of EBITDA within the industrial technology, medical device & life sciences, and food manufacturing verticals

3. *What recent deals have you been working on?*

- **RhythmLink:** Deal closed in February of 2023; Market leading manufacturer and supplier of custom electrodes for EEG, IONM, and EMG applications
- **Barcoding, Inc.:** Deal closed in September of 2023; Automatic identification and data capture (“AIDC”) technology integrator

4. *What did Leveraged Lion Capital mean to you?*

The relationships cultivated, lessons learned, and hours spent in the trading room during my time in LLC have been a core influence contributing to the decisions I make in my current role. It was during these hours spent in the trading room preparing for pitches, reading Company news, and honing financial modeling skills that helped develop a sense of pride in both being prepared and producing quality work product. This sense of ownership can be attributed to the long nights leading up to credit pitch reps in front of the room in LLC where I remember preparing to fend off the array of potential questions posed by the older colleagues within LLC and making sure there were no missed ATD mistakes to be called out in front of the broader group. Iron sharpens iron — and a little bit of fear is a healthy ingredient for proper preparation.

5. *What is your best advice for current Leveraged Lion Capital members to reach their future goals?*

First of all, practice the skill of thinking from multiple levels and recognize which situations require which vantage point to be successful. In the day-to-day dwellings of your early career, it will be critical to take ownership of the detailed minutia, but spend too much time in the details, and you may find yourself missing why a workstream matters in the first place; transactions are like marathons and any time and energy spent away understanding important priority points will be viewed as wasted energy by more senior deal team members. Secondly, take time to reflect between reps. If you are constantly go-go-going, you may forget to satisfactorily reflect on how to get significantly stronger with each incremental rep — trajectory is more important than any given data point. Lastly, many Wall Street Career paths are about being brilliant with the basics. No analyst or summer intern is expected to know everything but will be expected to do everything they should know correctly every time. Consistency builds trust, and trust opens doors to additional opportunity.

Sector Summaries

Consumer & Retail*Lead Analyst: Zander Golden*

Consumer & Retail loans returned -0.25% nominally this month and bonds returned -0.36% nominally. The Sector's best performing holding this month was Darling Ingredient's 2030 Senior Unsecured Bond, trading down 21.5 bps. Darling had its best quarter on record, beating earnings and reporting EBITDA by \$508.30 mm. The Sector's worst-performing holding this month was Energizer's 2029 Senior Unsecured Bond, trading down 94.6 bps. Net Sales for Energizer was down 3.90% in Q3 of 2023 due to distribution and supply chain issues. The sector plans on watching this month's CPI report, which will be released on September 13th.

Energy & Utilities*Lead Analyst: Trevor Carney*

Energy returned 0.34% nominally this month. The Sector's best performing holding this month was Genesis Energy's 2027 Senior Unsecured Bond, trading up 68.0 bps. The company's hydropower segment helped it beat revenue expectations during its second quarter report. The Sector's worst performing holding this month was Antero Midstream's 2027 Senior Unsecured Notes, trading up 11.7 bps. The company missed EPS in its third quarter due to large increases in transportation costs. The sector will be monitoring upcoming releases of the Baker Hughes Oil Rig Count for updated energy supply measures.

Healthcare*Lead Analyst: Charles Loose*

Healthcare returned 1.90% nominally this month. The Sector's best performing holding this month was RadNet's 2028 TLB, trading up 12.5 bps. RadNet reported a record 13.9% increase in revenues in their second quarter earnings report early August. The Sector's worst performing holding this month was Health Equity's 2029 Unsecured Bond, trading down 62.5 bps. Health Equity is expected to improve on these numbers as they are to post earnings during the first week of September, with analyst expectations of increased revenue growth. The Sector will be monitoring Amgen's acquisition of Horizon Therapeutics which was finally accepted by the FTC during the last week of August.

Industrials*Lead Analyst: Eshwar Tunga*

Industrials returned 1.14% nominally this month. The Sector's best performing holding this month was Tutor Perini's 2025 Senior Unsecured Bond, trading up 480.5 bps. Tutor Perini's revenue increased by 19.00% to \$1.02 bn in Q2 2023, driven by contributions from certain Civil segment mass-transit projects in California. The company also generated strong operating cash flow of \$56.30 mm in Q2. The Sector's worst performing holding this month was Enpro Industries' 2026 Senior Unsecured Bond, trading down 32.4 bps. Adjusted EBITDA decreased by \$9.00 mm year-over-year, due to higher share-price-related incentive compensation expense. The sector plans to monitor the Manufacturing Index PMI this month to get clarity on the country's manufacturing subsector.

Sector Summaries

Information Technology*Lead Analyst: Jake Whittaker*

Information Technology returned 0.18% nominally this month. The Sector's best performing holding this month was Digi International's 2028 TLB, trading up 25.0 bps. In August the company announced their tenth consecutive quarter of record-breaking revenue, driven by strong annualized recurring revenue growth. The Sector's worst performing holding this month was Ultra Clean Holdings' 2025 TLB, trading flat. The company is projecting a net income loss for 2023, but cash and leverage ratios remain strong. The sector will closely monitor Arm's IPO in the near future, and the effect it may have on the broader semiconductor industry.

Materials*Lead Analyst: John Brownstead*

Material's loan returned net 0.00% nominally this month and bonds returned 0.25% nominally. The Sector's best performing holding this month was U.S. Steel's 2029 Senior Unsecured bond, trading up 62.3 bps. Earlier this month, Cleveland Cliffs, U.S. Steel's largest competitor, offered to purchase U.S.S. with a 43.00% premium on existing stock. The Sector's worst performing holding this month was Mercer's 2029 Senior Unsecured Bond trading down 5.3 bps. Mercer's Q2 earnings report included EBITDA down \$68.70 mm compared to \$145.10 mm in Q2 of 2022. Pulp production disruptions and lessening paper demand have heavily impacted Mercer's earnings; therefore, the sector will be keeping a close watch on pulp prices and supply chain matters.

Media & Communications*Lead Analyst: Will Percy*

Media & Communications loans returned -0.13% nominally this month and bonds returned 0.60% nominally. The Sector's best performing holding this month was MicroStrategy's 2028 Senior Secured Bond, trading up 53.9 bps. MicroStrategy released earnings at the beginning of the month, reporting an almost 250.00% beat on revenue estimates, and the acquisition of another 12,500 Bitcoins, increasing the company's total investment to 152,800 Bitcoins. The Sector's worst performing holding this month was Ciena's 2025 TLB, trading down 12.5 bps. It was announced this month that Ciena's 800G technology will be used in center3's 45,000 km submarine network, which is the largest of its kind. The Sector will be monitoring any policy changes or outlooks from the FCC's Open Commission Meeting on September 24th.

REGAL-FIG*Lead Analyst: Nick Patterson*

REGAL-FIG returned 0.03% nominally this month. The Sector's best performing holding this month was Playa Hotels and Resorts' 2028 TLB, trading up 12.5 bps. In 2023, Playa saw lower net income and revenue figures, but increased their EBITDA margin. The Sector's worst performing holding this month was Walker & Dunlop's 2028 TLB, trading flat. Walker & Dunlop has experienced significant decreases in transaction volume, total revenue, and net income so far in 2023. The Regal-FIG sector plans to monitor new debt issuances from regional banks, and the performance of regional banks following the announcement of new regulations requiring banks with more than \$100.00 bn in assets to hold long-term debt exceeding 6.00% of risk-weighted assets or 3.5% of average total assets.

Portfolio Analysis

CURRENT HOLDINGS (as of 8/31/2023)

Company Name	Sector	Maturity	LIBOR Spread	Buy-In Price	Buy-In Amount	Opening Price ¹	Closing Price	Facility Rating ²	Aug Return (bps)
Energizer	Consumer	3/31/2029	4.375%	96.312	\$6,000.00	86.104	85.158	B2/B	(94.6) bps
Darling Ingredients	Consumer	6/15/2030	6.000%	100.280	\$6,000.00	98.045	97.830	Ba2/BB+	(21.5) bps
Petco	Consumer	3/4/2028	S + 325	98.750	\$5,000.00	99.625	99.375	B2/B+	(25.0) bps
Antero Midstream	Energy	3/1/2027	5.750%	90.805	\$1,337.09	96.625	96.742	Ba3/BB	11.7 bps
Genesis Energy	Energy	1/15/2027	8.000%	102.513	\$1,302.29	97.845	98.525	B3/B	68.0 bps
NGL Energy Partners	Energy	2/1/2026	7.500%	101.939	\$716.26	98.970	99.514	B2/B+	54.4 bps
Weatherford International	Energy	9/15/2028	6.500%	93.001	\$1,383.51	100.241	100.379	Ba3/BB-	13.8 bps
HealthEquity	Healthcare	10/1/2029	4.500%	98.857	\$3,706.91	89.335	88.662	B3/B	(67.3) bps
RadNet	Healthcare	4/23/2028	S + 325	100.000	\$3,710.00	100.000	100.125	B1/B+	12.5 bps
Horizon Therapeutics	Healthcare	5/22/2026	S + 200	100.000	\$1,850.00	100.000	100.000	Ba1 /BB+	-
ICON PLC	Healthcare	7/15/2026	2.875%	91.956	\$1,000.00	91.955	91.415	Ba1/BB+	(54.0) bps
Tutor Perini	Industrials	5/1/2025	6.875%	96.232	\$2,000.00	85.570	90.375	Caal/CCC	480.5 bps
Enpro Industries	Industrials	10/15/2026	5.750%	95.656	\$3,000.00	97.800	97.476	B2/BB	(32.4) bps
Danaos Corp	Industrials	3/1/2028	8.500%	110.708	\$7,000.00	100.511	101.568	B1/BB+	105.7 bps
Digi International	IT	12/22/2028	L + 500	98.500	\$5,153.90	99.000	99.250	B2/BB	25.0 bps
Playtika	IT	3/11/2028	S + 275	99.625	\$4,000.00	99.625	99.875	Ba2/BB+	25.0 bps
Ultra Clean	IT	8/27/2025	S + 375	100.500	\$3,662.54	100.125	100.125	B1/NR	-
Mercer International	Materials	2/1/2029	5.125%	102.340	\$4,910.00	81.429	81.376	B2/B	(5.3) bps
First Quantum Minerals	Materials	4/1/2025	7.500%	103.901	\$4,910.00	99.891	99.999	WR/B+	10.8 bps
U.S. Steel	Materials	3/1/2029	6.875%	104.281	\$5,000.00	98.556	99.188	B1/BB-	63.2 bps
Tronox	Materials	3/11/2028	S + 225	99.375	\$4,000.00	98.500	98.500	Ba2/BB	-
Warner Music Group	M&C	1/20/2028	S + 212.5	100.000	\$4,250.00	100.000	99.875	Ba2/BB+	(12.5) bps
MicroStrategy	M&C	6/15/2028	6.125%	97.012	\$2,000.00	89.736	90.275	Ba3/B-	53.9 bps
Ciena	M&C	9/28/2025	S + 175	100.375	\$4,000.00	100.000	99.875	Baa3/BB+	(12.5) bps
Virtu Financial	REGAL-FIG	1/13/2029	S + 300	99.750	\$2,148.85	99.250	99.250	Ba3/B+	-
Walker & Dunlop	REGAL-FIG	12/16/2028	S + 225	99.750	\$1,453.94	98.875	98.875	Ba1/BB+	-
Everi Holdings	REGAL-FIG	8/3/2028	S + 250	100.000	\$2,000.16	99.875	99.875	Ba2/BB+	-
Playa Hotels and Resorts	REGAL-FIG	12/15/2028	S + 425	99.875	\$2,000.00	99.750	99.875	B2/B+	12.5 bps

SECTOR ANALYSIS

Sector Analysis	Loans	LSTA 100 ³	Relative	Bonds	LLC HY ³	Relative
Consumer & Retail	-0.25%	-1.08%	0.83%	-0.64%	0.32%	-0.96%
Energy	-	-1.57%	-	0.34%	0.46%	-0.13%
Healthcare	0.08%	0.21%	-0.13%	-0.72%	-0.06%	-0.65%
Industrials	-	-0.20%	-	1.45%	0.06%	1.39%
IT	0.18%	-0.61%	0.79%	-	0.18%	-
Materials	0.00%	0.73%	-0.73%	0.25%	-0.22%	0.46%
Media & Communications	-0.13%	-2.16%	2.03%	0.60%	0.64%	-0.04%
REGAL-FIG	0.03%	-0.50%	0.54%	-	0.15%	-
Total	0.02%	1.18%	-1.16%	0.27%	-0.35%	0.62%

PORTFOLIO OVERVIEW

LLC Portfolio (beginning 1/1/2018)

Beginning Portfolio Value	\$124,854.79
Current Portfolio Value	\$89,920.03
Cash Balance	\$73,361.42

LLC Portfolio (YTD)

Beginning Portfolio Value	\$88,524.33
Current Portfolio Value	\$89,920.03
Cash Balance	\$73,361.42
Accumulated Interest	\$23,044.41

RELATIVE PERFORMANCE

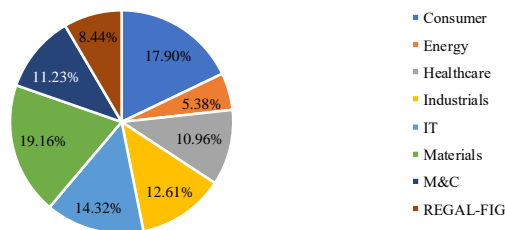
August 2023 Performance

Leveraged Lion Capital	0.15%
LSTA 100 Index	1.18%
LLC vs. LSTA 100	-1.16%
LLC HY	-0.35%
LLC vs. LLC HY	0.62%

YTD Performance

Leveraged Lion Capital	1.73%
LSTA 100 Index	7.42%
LLC vs. LSTA 100	-5.68%
LLC HY	2.25%
LLC vs. LLC HY	-0.51%

PORTFOLIO BREAKDOWN



AUGUST BEST PERFORMER

Tutor Perini

AUGUST WORST PERFORMER

Energizer

NOTES

¹ 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. ² Most recent available ratings. ³ 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.

Fall 2023 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, 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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