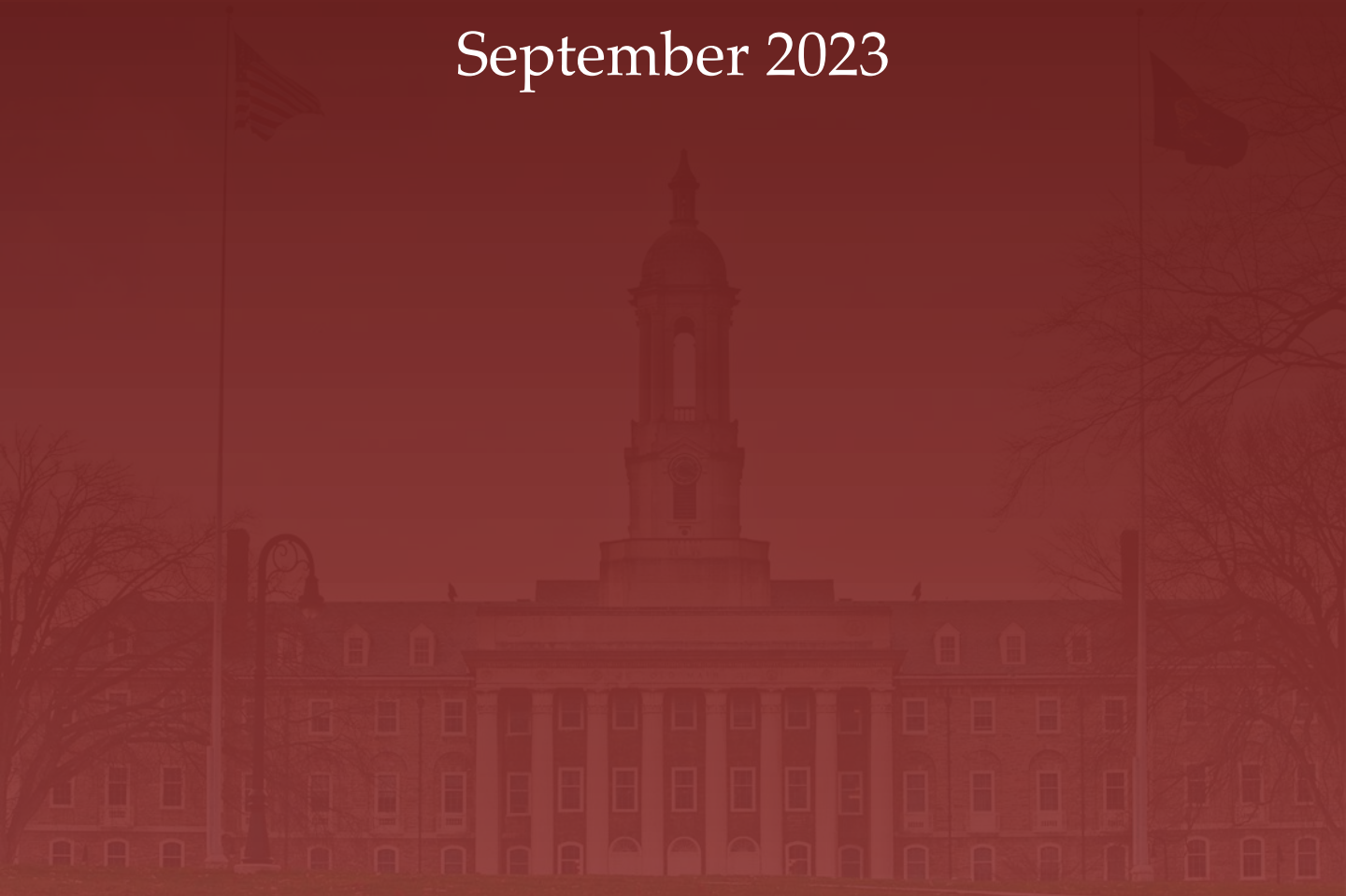


Leveraged Lion Capital Monthly Report

September 2023



LLC Updates

In the month of September, Portfolio Managers completed the first round of sector investment pitches. The Director of Education presented on Covenant Analysis, Fixed Income Markets, Collateralized Loan Obligations, Relative Value Analysis, and Waterfall Analysis. The Directors of FICC and Equity Research also presented market updates.

Leveraged Lion Capital welcomed 4 guest speakers to class during the month of September. John Colendenski, LLC President in 2020, spoke to the organization about his career progression and gave students advice on navigating the recruiting process.

Zack Himmel, an Analyst at BNP Paribas, gave an educational presentation on Securitized Products & CLO's. Portfolio Managers learned more about Zack's role and CLO covenant agreements.

LLC also held a credit market update Zoom with Pasquale Stano from Morgan Stanley Leveraged Finance. Pasquale spoke about recent trends in leveraged finance markets and recent transactions.

Finally, the Bank of America Sales & Trading recruiting team visited class and spoke about internship and career opportunities available to our students.

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- Organizational Overview

September Sector Pitches

Sector	Pitch	Result
Consumer & Retail	Dave & Buster's 2029 Term Loan B	Approved
Energy	Range Resources 2030 Sr. Unsecured Bond	Approved
Healthcare	Molina Healthcare 2032 Sr. Unsecured Bond	Disapproved
Industrials	Columbus McKinnon 2028 Term Loan B	Disapproved
Information Technology	Onsemi 2028 Sr. Unsecured Bond	Approved
Materials	Carpenter Technology 2028 Sr. Unsecured Bond	Approved
Media & Communications	AMC Entertainment 2027 Secured Bond	Approved
REGAL-FIG	MoneyGram International 2030 Term Loan B	Approved

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S&P Global

Alumni Spotlight: Nick Peckyno '23



Nick Peckyno is a Sales & Trading Analyst at JP Morgan. Nick graduated from Penn State in 2023 with a bachelor's degree in Finance. During the time he spent at Penn State, Nick served as an Associate Analyst in the Materials Sector and the Lead Analyst of the Healthcare Sector. Nick initially interned at JP Morgan during the Summer of 2022, and he returned full-time starting in the Summer of 2023.

Contact Information:

Email: npeckyno35@gmail.com

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

I was a member of LLC from Fall of 2021 to Spring of 2022. During my first semester, I was an Associate Analyst in the Materials Sector. In my second semester, I was the Lead Analyst of the Healthcare Sector. I remained very involved in LLC as a mentor and friend in my final semesters at Penn State.

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

I started working as an Investment-Grade Credit Sales Analyst at JP Morgan in August of 2023, servicing clients and helping to provide liquidity in the single name, high grade credit market.

3. What did Leveraged Lion Capital mean to you?

LLC has taught me how to grow up quickly. I have gained many professional and personal skills that I would not have been able to develop in any other class or organization at Penn State. LLC has showed me that if you work hard, ask the right questions, and give your best effort, it will all work out and you will make it. It is not an easy road for any college student; it is truly a grind. Reflecting on my time at PSU, it was a worthwhile pursuit, and I would not have changed anything. One of so many valuable skills LLC has taught me is becoming a confident and charismatic public speaker. Like all LLC members, I was thrown into the fire, and there were many situations that surely got me well out of my comfort zone. I attribute my presenting and public speaking skills to my time in LLC.

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

Always take the high road, stay true to yourself. No matter what the situation is, always do the right thing. It is not always easy to take the high road; however, taking the high road will leave you with no regret. Be honest and be yourself. Be the same person no matter who you are talking to. I have never found myself as the smartest kid in the room, but I know that I will work as hard as I possibly can and do the best that I possibly can. WITH A SMILE. Life is too short, produce excellent work, and have fun!

CIO Commentary

For the month of September 2023, Leveraged Lion Capital's leveraged loan portfolio returned (0.11%) nominally, an underperformance to the LSTA 100 Index of 1.29%. Leveraged Lion Capital's high yield bond portfolio returned (1.40%) nominally, an underperformance to the HY Index of 1.05%.

Currently, Leveraged Lion Capital holds 15 bonds and 13 loans, with S&P credit ratings ranging from CCC to BB+ and B+ to BB+, respectively.

The Information Technology Sector has the highest weighted-average yield of 9.43% with a portfolio of 3 loans, and the Media & Communications Sector has the lowest weighted-average yield of 7.57% with a portfolio of 1 bond and 2 loans.

Leveraged Loan & HY Bond News

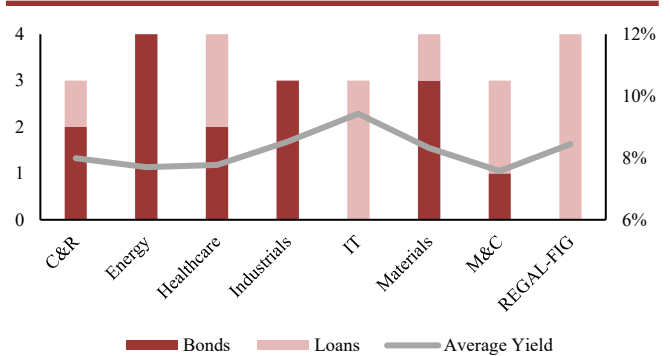
The 12-month junk bond default rate currently sits at 0.23%, while junk distress is up to 4.90%. The leveraged loan default rate has been above 0.20% for 2 years and is currently at 0.30%, with the majority of defaults being from LBO-related loans. Although there have not been any defaults in both markets in the past 4 months, with the Fed indicating the possibility of another rate hike, the market is likely pricing in higher defaults.

Issuance Trends

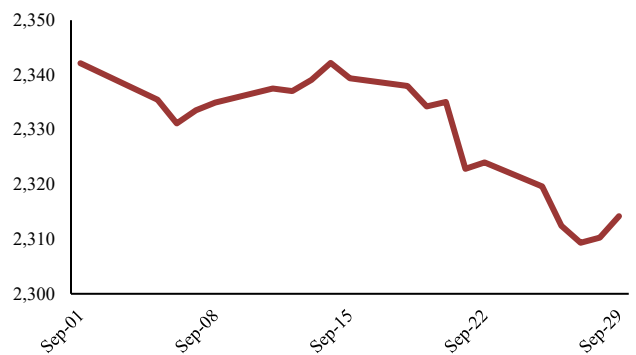
According to Bloomberg analysts, new issuance for dollar-denominated high yield bonds could break \$175.00 bn in 2023. Additionally, leveraged loan new-issue spreads rallied by 12 bps to 514 bps. Although issuance volume is expected to remain low in October, 2025 is expected to have a larger uptick in volume as interest rates fall and issuers will be forced to address residual 2024 maturities in addition to 2025 maturities.

Data and charts used in the September CIO Commentary (page 3) were directly retrieved from Bloomberg for educational purposes only. Data and charts for the Monthly Charts and Portfolio Analytics Report (located on page 7) 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.

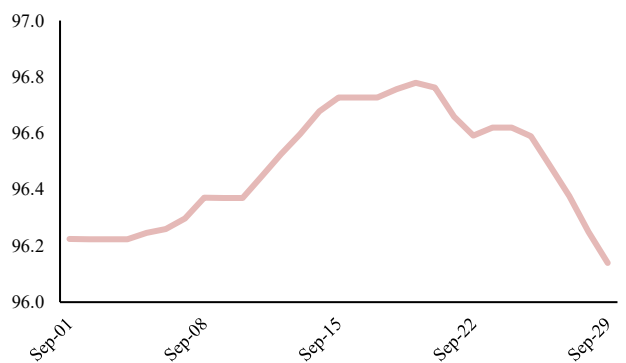
LLC Portfolio Distribution



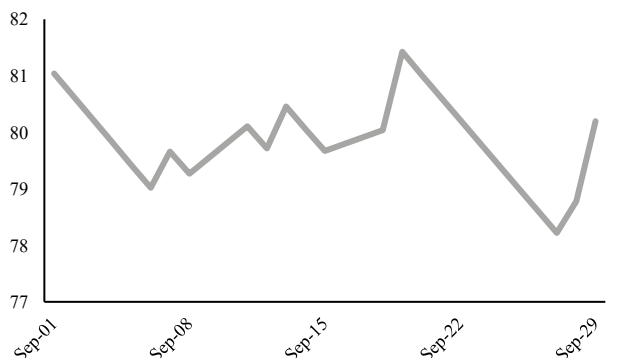
BBHY Index



LSTA 100 Index



Bankruptcy Index



Sector Summaries

Consumer & Retail*Lead Analyst: Zander Golden*

The Consumer & Retail Sector's loans returned (0.50%) nominally this month and bonds returned (2.77%) nominally. The Sector's best performing holding this month was Petco's 2028 TLB, trading down 50.0 bps. The company has recently implemented cost saving measures to strengthen their pet care business. The Sector's worst performing holding this month was Darling Ingredient's 2030 Senior Unsecured Bond, trading down 303.2 bps. The Company missed EPS estimates last month and their CEO Randall Stuewe has sold off \$6.20 mm of stock. The sector plans to monitor consumer spending patterns as student loan repayments are scheduled to resume in the coming weeks.

Energy & Utilities*Lead Analyst: Trevor Carney*

The Energy Sector returned (1.25%) nominally this month. The Sector's best performing holding this month was Weatherford International's 2028 Senior Secured Bond, trading down 47.3 bps. The company's equity and debt have outperformed competitors as management increased efficiency after a Chapter 11 filing. The Sector's worst performing holding this month was Genesis Energy's 2027 Senior Unsecured Bond, trading down 224.4 bps. The company increased its dividends in September, further punishing credit investors who are concerned if the company's cash flows can meet its dividend payouts. The sector will be monitoring the U.S. Energy Information Administration's update on crude oil stocks in the strategic petroleum reserve, as the levels have declined significantly over the past 2.5 years.

Healthcare*Lead Analyst: Charles Loose*

The Healthcare Sector loans returned (0.29%) nominally this month and bonds returned (2.36%) nominally. The Sector's best performing holding this month was Horizon Therapeutic's 2026 TLB, trading down 12.5 bps. Horizon was affected by the FTC's recent approval of Amgen's acquisition of Horizon. The Sector's worst performing holding this month was Health Equity's 2029 Unsecured Bond, trading down 241.7 bps. Health Equity is negatively affected by the expectations of future interest rate decreases, which poorly affects high yield savings account yields. Healthcare will be monitoring the core effects of the Medicare redetermination program and the resulting changes within value-based care segments.

Industrials*Lead Analyst: Eshwar Tunga*

The Industrials Sector returned 0.10% nominally this month. The Sector's best performing holding this month was Tutor Perini's 2025 Senior Unsecured Bond, trading up 128.8 bps. Tutor Perini secured multiple contracts in the past month, including a \$47.00 mm job for the Everglades National Park. The Sector's worst performing holding this month was Enpro Industries' 2026 Senior Unsecured Bond, trading down 134.9 bps. Enpro industries has not performed well year-over-year, with flat sales and a decline to their EBITDA and EPS. The sector plans to closely monitor Enpro Industries moving forward, paying close attention to their next earnings report and industrial technology trends, due to their recent performance.

Sector Summaries

Information Technology*Lead Analyst: Jake Whittaker*

The Information Technology Sector returned (0.05%) nominally this month. The Sector's best performing holding this month was Playtika's 2028 TLB, trading flat. The company recently announced their plans to acquire Innplay Labs, a mobile games studio based in Israel, with an upfront consideration of \$80.00 mm and a maximum consideration of \$300.00 mm. The Sector's worst performing holding this month was Digi International's 2028 TLB, trading down 12.5 bps. There was no major company news this month, but the IoT market continues to perform well with an expected CAGR in the mid-teens to the end of the decade. The sector will continue to monitor trends with artificial intelligence and evaluate its impact on the companies we hold, especially in the chip industry.

Materials*Lead Analyst: John Brownstead*

The Materials Sector loans returned (0.25%) nominally this month and bonds returned (1.29%) nominally. The Sector's best performing holding this month was First Quantum Minerals' 2025 Senior Unsecured Bond, trading down 18.5 bps. The company has developed new contracts to expand mines in countries like Zambia, but their contract to mine in Panama was halted for review, largely due to potential environmental impacts. The Sector's worst performing holding this month was Mercer International's 2029 Senior Unsecured Bonds, trading down 249.2 bps. The company recently made a private offering for \$200.00 mm of 2028 Senior Notes amid low lumber demand and falling pulp prices. During the upcoming month, the sector will monitor fed rate guidance and crude oil prices to gauge housing demand and raw material costs, respectively.

Media & Communications*Lead Analyst: Will Perez*

The Media & Communications Sector's loans returned 0.00% nominally this month and bonds returned (1.51%) nominally. The Sector's best performing holding this month was Warner Music Group's 2028 TLB, trading flat. WMG announced a joint venture with 10K Projects, making it a standalone label within WMG. The Sector's worst performing holding this month was MicroStrategy's 2028 Secured Notes, trading down 136.4 bps. MicroStrategy recently announced that it bought another 5,445 Bitcoins for \$147.30 mm in cash, bringing its total Bitcoin investment to 158,245. The sector will continue to monitor the end of the Writers Guild of America strike and how the new deal affects media and entertainment companies.

REGAL-FIG*Lead Analyst: Nick Patterson*

The REGAL-FIG Sector returned 0.15% nominally this month. The Sector's best performing holding this month was Walker & Dunlop's 2028 TLB, trading up 62.5 bps. Walker & Dunlop has continued to consistently strike deals in a volatile real estate market including the \$174.00 mm sale of Waterleaf in San Diego and two property sales for \$54.00 mm in Miami. The Sector's worst performing holding this month was Everi Holdings' 2028 TLB, trading flat. During September, Everi Holdings announced its victory in the US courts following a patent lawsuit against Sightline Payments, which accused the company of commercializing a cashless transaction wallet used in casinos. This month the REGAL-FIG sector will be monitoring the hospitality and culinary workers strike in Detroit and Las Vegas. Casino workers approved a strike authorization at multiple casinos if a new contract agreement isn't reached. The date the contract must be reached by has yet to be announced.

Portfolio Analysis

CURRENT HOLDINGS (as of 9/29/2023)

Company Name	Sector	Maturity	LIBOR Spread	Buy-In Price	Buy-In Amount	Opening Price ¹	Closing Price	Facility Rating ²	Sep Return (bps)
Energen	Consumer	3/31/2029	4.375%	96.312	\$6,000.00	85.158	83.104	B2/B	(205.4) bps
Darling Ingredients	Consumer	6/15/2030	6.000%	100.280	\$6,000.00	97.830	94.798	Ba2/BB+	(303.2) bps
Petco	Consumer	3/4/2028	S + 325	98.750	\$5,000.00	99.375	98.875	B2/B+	(50.0) bps
Antero Midstream	Energy	3/1/2027	5.750%	90.805	\$1,337.09	96.742	95.306	Ba3/BB	(143.6) bps
Genesis Energy	Energy	1/15/2027	8.000%	102.513	\$1,302.29	98.525	96.280	B3/B	(224.5) bps
NGL Energy Partners	Energy	2/1/2026	7.500%	101.939	\$716.26	99.514	98.882	B2/B+	(63.2) bps
Weatherford International	Energy	9/15/2028	6.500%	93.001	\$1,383.51	100.379	99.906	Ba3/BB-	(47.3) bps
HealthEquity	Healthcare	10/1/2029	4.500%	98.857	\$3,706.91	88.662	86.245	B3/B	(241.7) bps
RadNet	Healthcare	4/23/2028	S + 325	100.000	\$3,710.00	100.125	99.750	B1/B+	(37.5) bps
Horizon Therapeutics	Healthcare	5/22/2026	S + 200	100.000	\$1,850.00	100.000	99.875	Ba1/BB+	(12.5) bps
ICON PLC	Healthcare	7/15/2026	2.875%	91.956	\$1,000.00	91.415	90.359	Ba1/BB+	(105.6) bps
Tutor Perini	Industrials	5/1/2025	6.875%	96.232	\$2,000.00	90.375	91.663	Caa1/CCC	128.8 bps
Enpro Industries	Industrials	10/15/2026	5.750%	95.656	\$3,000.00	97.476	96.127	B2/BB	(134.9) bps
Danaos Corp	Industrials	3/1/2028	8.500%	110.708	\$7,000.00	101.568	101.973	B1/BB+	40.5 bps
Digi International	IT	12/22/2028	L + 500	98.500	\$5,153.90	99.250	99.125	B2/BB	(12.5) bps
Playtika	IT	3/11/2028	S + 275	99.625	\$4,000.00	99.875	99.875	Ba2/BB+	-
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	81.376	78.884	B2/B	(249.2) bps
First Quantum Minerals	Materials	4/1/2025	7.500%	103.901	\$4,910.00	99.999	99.814	WR/B+	(18.5) bps
U.S. Steel	Materials	3/1/2029	6.875%	104.281	\$5,000.00	99.188	98.216	B1/BB-	(97.2) bps
Tronox	Materials	3/11/2028	S + 225	99.375	\$4,000.00	98.500	98.250	Ba2/BB	(25.0) bps
Warner Music Group	M&C	1/20/2028	S + 212.5	100.000	\$4,250.00	99.875	99.875	Ba2/BB+	-
MicroStrategy	M&C	6/15/2028	6.125%	97.012	\$2,000.00	90.275	88.911	Ba3/B-	(136.4) bps
Ciena	M&C	9/28/2025	S + 175	100.375	\$4,000.00	99.875	99.875	Baa3/BB+	-
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	99.500	Ba1/BB+	62.5 bps
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	99.875	100.000	B2/B+	12.5 bps

SECTOR ANALYSIS

Sector Analysis	Loans	LSTA 100 ³	Relative	Bonds	LLC HY ³	Relative
Consumer & Retail	-0.50%	-1.08%	0.58%	-2.77%	0.32%	-3.09%
Energy	-	-1.57%	-	-1.25%	0.46%	-1.71%
Healthcare	-0.29%	0.21%	-0.50%	-2.36%	-0.06%	-2.30%
Industrials	-	-0.20%	-	0.10%	0.06%	0.04%
IT	-0.05%	-0.61%	0.56%	-	0.18%	-
Materials	-0.25%	0.73%	-0.98%	-1.29%	-0.22%	-1.08%
Media & Communications	0.00%	-2.16%	2.16%	-1.51%	0.64%	-2.15%
REGAL-FIG	0.15%	-0.50%	0.66%	-	0.15%	-
Total	-0.11%	1.18%	-1.29%	-1.40%	-0.35%	-1.05%

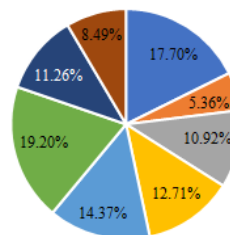
PORTFOLIO OVERVIEW

LLC Portfolio (beginning 1/1/2018)	
Beginning Portfolio Value	\$124,854.79
Current Portfolio Value	\$89,315.50
Cash Balance	\$73,361.42
LLC Portfolio (YTD)	
Beginning Portfolio Value	\$88,524.33
Current Portfolio Value	\$89,315.50
Cash Balance	\$73,361.42
Accumulated Interest	\$24,878.80

RELATIVE PERFORMANCE

September 2023 Performance	
Leveraged Lion Capital	-0.77%
LSTA 100 Index	1.18%
LLC vs. LSTA 100	-1.29%
LLC HY	-0.35%
LLC vs. LLC HY	-1.05%
YTD Performance	
Leveraged Lion Capital	1.06%
LSTA 100 Index	7.42%
LLC vs. LSTA 100	-6.35%
LLC HY	2.25%
LLC vs. LLC HY	-1.18%

PORTFOLIO BREAKDOWN



- Consumer
- Energy
- Healthcare
- Industrials
- IT
- Materials
- M&C
- REGAL-FIG

SEPTEMBER BEST PERFORMER

Tutor Perini

SEPTEMBER WORST PERFORMER

DARLING
INGREDIENTS

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).

Name	Position	Year	Gmail	PSU Email	Phone
Executive Board					
Chase Adler	President	2024	adlerc51@gmail.com	cra5317@psu.edu	610-462-7114
Tishe Olaleye	Vice President	2024	tisheolaleye20@gmail.com	of05073@psu.edu	908-745-8689
Emily Hu	Chief Investment Officer	2024	emilyjhu1006@gmail.com	ejh5814@psu.edu	814-308-3966
Rohith Bodduluri	Secretary	2024	rohith.bodduluri@gmail.com	rbz5638@psu.edu	215-971-6633
Directors					
Ivan Sosa	Director of Equity Research	2025	ivansosamontalvo@gmail.com	iqs5246@psu.edu	832-998-7927
Pearse Kelly	Director of FICC Research	2025	pearsek20@gmail.com	pjk5630@psu.edu	484-431-6140
Peyton Brezski	Director of Education	2025	pbrezfin@gmail.com	pfb5266@psu.edu	484-945-3228
Nihar Kalikota	Director of Portfolio Analytics	2025	nihar.kalikota1@gmail.com	rxk5394@psu.edu	215-666-1201
Luke Zoll	Director of PSFIA	2025	lukezoll9@gmail.com	lqz5233@psu.edu	215-880-1390
Emma Reach	Director of Outreach	2025	emmareach09@gmail.com	elr5420@psu.edu	717-475-4765
Daniel Alpert	Co-Director of Pitch Quality	2025	danny.b.alpert@gmail.com	dba5363@psu.edu	267-288-3510
Max Aurilio	Co-Director of Pitch Quality	2025	max.aurilio@gmail.com	mqa5972@psu.edu	717-598-1682
Thomas (TJ) Callan	Co-Director of Weekly Reports	2025	tjcallan8@gmail.com	tjc6348@psu.edu	631-601-7909
David Harris	Co-Director of Weekly Reports	2025	davhar1212@gmail.com	dth5663@psu.edu	267-606-7592
Garrett Goodwin	Director of Monthly Reports	2025	ggoodwin1318@gmail.com	gpg5250@psu.edu	301-788-0286
Dylan Verschleiser	Director of Philanthropy	2024	dverschleiser27@gmail.com	dmv5348@psu.edu	908-872-2373
Lead Analysts					
Zander Golden	Consumer & Retail	2025	goldenzander12@gmail.com	zxc5147@psu.edu	808-650-1032
Trevor Carney	Energy	2025	trevorcarney4@gmail.com	tfc5379@psu.edu	412-328-7432
Charles Loose	Healthcare	2026	owenloose33@gmail.com	col5489@psu.edu	717-847-5742
Eshwar Tunga	Industrials	2025	eshwartunga1@gmail.com	eft5192@psu.edu	631-922-9317
Jake Whittaker	Information Technology	2025	jmwhittak@gmail.com	jmw7735@psu.edu	717-808-9707
John Brownstead	Materials	2026	brownsteadjohn@gmail.com	jrb7132@psu.edu	814-441-4713
Will Perez	Media & Communications	2025	wpperez@gmail.com	wqp5126@psu.edu	215-603-0101
Nick Patterson	REGAL-FIG	2026	nickpatterson124@gmail.com	nep5189@psu.edu	610-306-0661
Associate Analysts					
Jakub Dingo	Consumer & Retail	2026	jakubdingo@gmail.com	jcd5828@psu.edu	740-319-1528
Dean Allen	Energy	2026	drallen1123@gmail.com	dra5364@psu.edu	267-234-4151
Noah Simone-Dobin	Energy	2026	noahsd26@gmail.com	nvs5803@psu.edu	610-329-1900
George Quarrantey	Healthcare	2026	quarranteygeorge@gmail.com	gfg5008@psu.edu	862-281-5926
John (Jack) Condran	Healthcare	2026	jackcondran8@gmail.com	jmc8960@psu.edu	610-608-1875
Caleb Binford	Industrials	2025	21cbinford@gmail.com	cjb7034@psu.edu	570-529-2630
James MacDonald	Industrials	2025	jamesmac471@gmail.com	jlm7972@psu.edu	443-775-0663
Sid Sharma	Information Technology	2026	sharma.sid.2004@gmail.com	sms9507@psu.edu	913-601-0495
Jayden Golden	Information Technology	2026	golden.jayden4@gmail.com	jvg6168@psu.edu	808-476-9019
Lulu Douglas	Materials	2026	lulu.douglas25@gmail.com	lrd5346@psu.edu	508-850-5041
Alex Kornblatt	Materials	2026	atkorn15@gmail.com	atk5368@psu.edu	610-334-5828
Terrance (TJ) McCoy	Media & Communications	2025	terrance.j.mccoy1@gmail.com	tfm5387@psu.edu	484-795-8044
Madi Hunter	REGAL-FIG	2026	madelinehunter13@gmail.com	mnh5290@psu.edu	814-769-3603
Ben Petrulis	REGAL-FIG	2026	benpetrulis@gmail.com	bpp5339@psu.edu	610-235-9068

