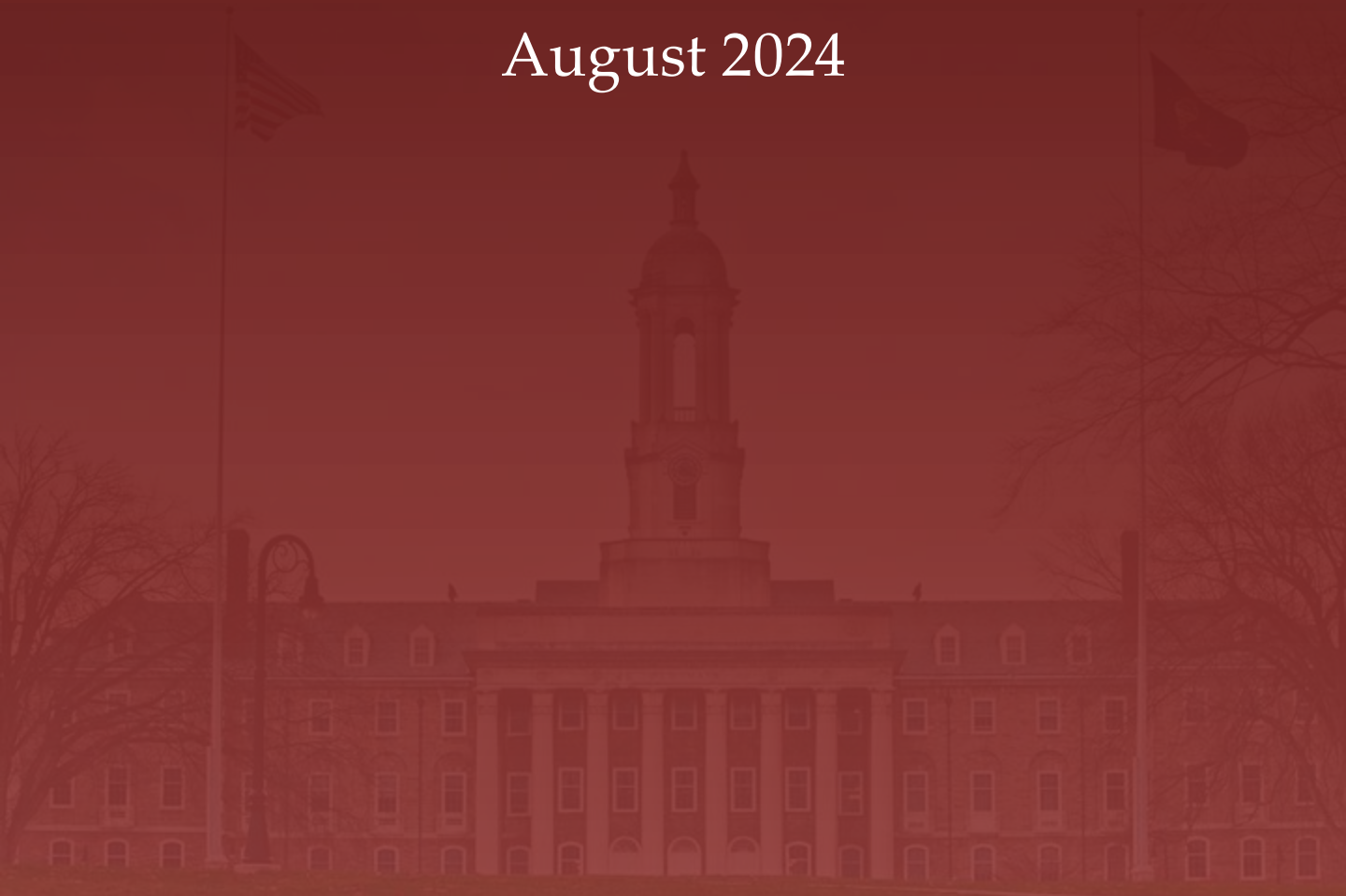


Leveraged Lion Capital Monthly Report

August 2024



LLC Updates

Leveraged Lion Capital had an extremely productive and successful summer. Members from various academic years participated in internships that spanned a wide range of financial professions.

LLC hit the ground running as instruction resumed. During the first week of class, members presented their first deliverable to the organization: a sector overview. This presentation helped deepen their understanding of their portfolios.

Our internal recruiting teams worked diligently throughout the summer to prepare for the next round of recruitment and education. Our first two general body meetings this semester saw standing-room-only attendance, and our diversity recruiting efforts have been more successful than ever before in the organization's history.

To continue challenging our members and fostering growth, in line with our Dedication to Personal & Professional Development, the Executive Board held several additional education sessions. These sessions allowed members to learn from those who had recently completed internships and ask in-depth questions.

Staying true to the Executive Board's commitment to continuous improvement, the organization has advanced long-term projects and launched new initiatives. We look forward to a strong and prosperous semester at LLC!

Executive Board Full-Time Placements

President <i>Luke Zoll</i>	Morgan Stanley <i>Sales & Trading</i>
Vice President <i>Pearse Kelly</i>	Bank of America <i>Credit Research</i>
Chief Investment Officer <i>Peyton Brezski</i>	Citigroup <i>Sales & Trading</i>
Chief Financial Officer <i>Zander Golden</i>	Perella Weinberg <i>Investment Banking</i>
Chief Operating Officer <i>Max Aurilio</i>	TPH&Co. <i>Investment Banking</i>

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- Organizational Overview

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Nicholas Vanden, a State College native, studied Finance at Penn State from 2019 to 2022. Prior to Penn State, he served as Chief Financial Officer of the Little Lion Fund. Upon joining LLC, Nick began in the Energy sector as a freshman, starting as an Associate Analyst, then progressing to Lead Analyst during his sophomore year. During his junior year, he took on the role of Director of Equity Research. After graduating, he entered his current role as a Trading Analyst on the Distressed Credit desk.

Contact Information:

Email: nicholas.vanden11@gmail.com

Phone: 646.855.8448

Alumni Spotlight: Nick Vanden '22

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

I was in LLC from the second semester of my freshman year in 2019 through senior year in 2022. I started as an Associate Analyst in the Energy sector, then transitioned to Lead of the Energy sector during my sophomore year. In my junior year, I held the position of Director of Equity Research. During my senior year, I served as an active senior mentor.

2. What did Leveraged Lion Capital mean to you when you were on campus?

LLC was something I looked forward to – it was a place of exponential growth from both a hard and soft skills perspective. Every day I walked through those doors, I knew I was going to learn something new. LLC transformed my college experience both personally and professionally as I grew alongside like-minded students. It gave me a support group of driven, dedicated individuals who will be lifelong friends.

3. What advice do you have for members of Leveraged Lion Capital who are currently recruiting for internships?

Be persistent and genuine. Alumni want to support fellow Penn Staters, so take that first step by sending the email and making the call. If your message isn't initially received, don't let that discourage you, because, at the end of the day, alumni want to help you find your path. Be authentic when connecting with others. Share your story about what sparked your interest in LLC and pursuing a career in Finance. Differentiate yourself throughout the process by letting your intellectual curiosity, passion, and energy shine through.

CIO Commentary

For the month of August 2024, Leveraged Lion Capital's leveraged loan holdings returned 0.80% nominally, an outperformance to the LSTA 100 Index of 0.32%. Leveraged Lion Capital's high yield bond holdings returned 1.96% nominally, an outperformance to the HY Index of 0.42%. Bond outperformance was boosted by strong price action in the Healthcare Sector. The portfolio has outperformed its bond and loan benchmarks YTD.

Currently, Leveraged Lion Capital holds 13 bonds and 8 loans, with S&P credit ratings ranging from CCC to BB+ and B- to BB+, respectively. The bond holdings have a weighted-average yield of 8.20% and loan holdings 8.54%. The REGAL-FIG Sector maintains the highest weighted average yield at 11.49%. Materials is the lowest at 6.52% WA yield.

Leveraged Loan & HY Bond News

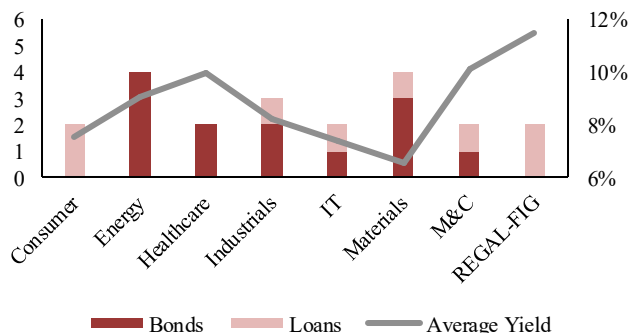
HY issuance was seasonally slow in August with \$18.20 bn priced. Still, this is more than a 50% increase from last August. Two-thirds of the funds were for refinancing, but M&A accounted for 23% in August compared to 11% YTD. The average new-issue coupon rate was 7.97%, which is 65 bps lower than the 2023 average. Loan issuance was \$16.00 bn in August excluding A&E/repricing activity, which was the lightest month YTD. Despite one default in the HY Index, the LTM HY default rate fell 12 bps to about 2.40% in August.

Moderate Risk-On Markets

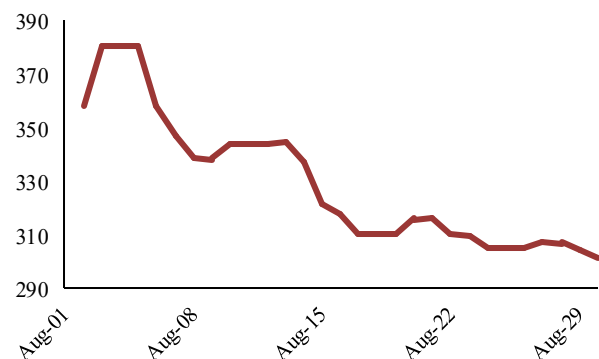
Following the bull market correction in July, sentiment was moderately risk-on in August. Equity indices gained back July losses, although the Nasdaq lagged behind. Cooler labor and price data bull-steepened treasuries as the 10yr2yr spread dis-inverted. Credit tightened in August, but both HY and IG markets showed a preference for quality.

Data and charts used in the August 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.

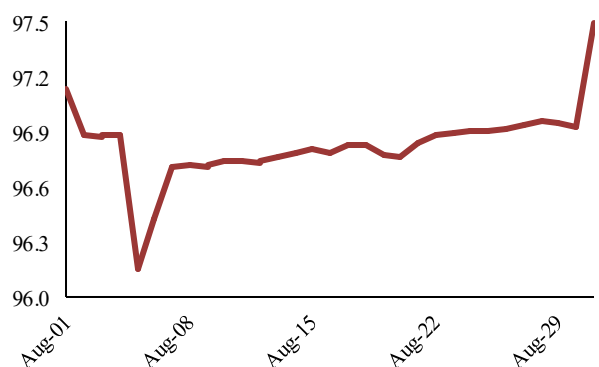
LLC Portfolio Distribution



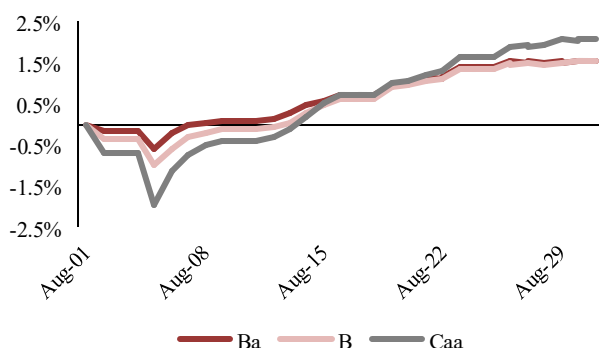
BBHY Index OAS (bps)



LSTA 100 Index



HY Bond Index Total Return by Rating



Sector Summaries

Consumer & Retail*Lead Analyst: McKenzie Smith*

The Consumer & Retail Sector returned 1.46% nominally this month. The sector's best-performing holding was United Parks & Resorts 2028 TLB, trading up 37.50 bps. PRKS' performance was largely due to the company's positive Q1 2024 earnings report, where EBITDA increased 9.30% YoY. Park attendance also increased by 2.10%, or 72,000 guests, since Q1 2023. The sector's worst-performing holding was Dave & Buster's 2029 TLB, which traded down 37.40 bps. PLAY's performance was impacted by a poor Q1 earnings report, in which EBITDA and net income decreased by 12.90% and 40.94% YoY, respectively. This upcoming month, the sector plans to monitor the effects of the recent CPI report of 2.50%, particularly any changes in consumer spending.

Energy & Utilities*Lead Analyst: Sam Kilareski*

Energy returned 1.62% nominally this month. The sector's best-performing holding was Frontera Energy's 2028 Senior Unsecured Bond, trading up 211.40 bps. Frontera Energy recently announced plans for a jointly-owned liquefied petroleum gas project in Cartagena, Colombia, expected to be operational by 2027. The sector's worst-performing holding was SM Energy's 2026 Senior Unsecured Bond, trading up 2.10 bps. SM Energy reported 2Q24 EBITDA of \$446.90 million, up 25.71% from 2Q23, driven by strong performance in the Midland Basin. The sector will be monitoring upcoming OPEC decisions on production cuts and the impact of its lowered demand outlook on oil.

Healthcare*Lead Analyst: Shawn Wang*

Healthcare returned 6.54% nominally this month. The sector's best-performing holding was ModivCare's 2029 Senior Unsecured Bond, trading up 662.10 bps. ModivCare recently partnered with the American College of Cardiology to introduce the Caring Hearts Initiative in Camden, New Jersey. The sector's worst-performing holding was Embecta's 2030 1st Lien Bond, trading up 499.60 bps. The FDA recently approved Embecta's Type 2 Diabetes Insulin Pump. The sector will continue to closely monitor government investigations and increased scrutiny around pharmacy benefit managers and companies transitioning to new ones.

Industrials*Lead Analyst: Dimitri Rainey*

Industrial loans returned 0.46% nominally this month, and bonds returned 1.65% nominally. The sector's best-performing holding was IHS Holding's 2027 Senior Unsecured Bond, trading up 199.90 bps. IHS is a telecommunications infrastructure company specializing in tower holdings, and it reported solid earnings this month with adjusted EBITDA of \$250.80 million. The sector's worst-performing holding was Danaos Corporation's 2028 Senior Unsecured Bond, trading down 50.00 bps. Danaos, an international tanker company, faced headwinds this quarter due to supply chain issues within the shipping industry. The sector will be monitoring the IMTS conference this month to gain insights into the latest manufacturing technology and trends.

Sector Summaries

Information Technology*Lead Analyst: Rohan Thandassery*

Information Technology loans returned 0.30% nominally, and bonds returned -1.84% nominally. The sector's best-performing holding was Playtika's 2028 TLB, trading down 37.40 bps. This performance was driven by significant margin pressures due to increased competition and higher operating costs. The sector's worst-performing holding was Consensus Cloud Solution's 2028 Senior Unsecured Bond, trading down 243.30 bps. This was a result of the company's exposure to heavily regulated sectors, such as healthcare and financial services, which increased operational risks along with fluctuating demand for their digital fax and interoperability solutions. The sector will closely monitor earnings reports from major software and semiconductor companies, focusing on cloud growth, AI advancements, and the impact of expected rate cuts on credit spreads and refinancing activities within the sector.

Materials*Lead Analyst: Luke Hamaty*

The Materials Sector loans returned 0.53% nominally this month, and bonds returned 0.25% nominally. The sector's best-performing holding was U.S. Steel's 2029 Senior Unsecured Bond, trading up 5.60 bps. U.S. Steel is in the final stages of a merger with Nippon Steel; however, recent reports indicate that President Biden is opposed due to antitrust concerns. The sector's worst-performing holding was Cleveland-Cliffs' 2029 Senior Unsecured Bond, trading down 44.30 bps. Cleveland-Cliffs' CEO stated that the company is "ready to immediately acquire and invest in any and all union-represented assets" threatened by potential disruption of the U.S. Steel transaction. The sector will continue to monitor paperboard pricing, as 2Q24 pricing fell 14.00% YoY.

Media & Communications*Lead Analyst: Mike Aquilino*

Media & Communication loans returned 2.22% nominally this month, and bonds returned 0.01% nominally. The sector's best-performing holding was Magnite's 2031 Term Loan B, trading up 139.40 bps. The company recently announced a collaboration with TF1 PUB, a leading French video advertising network, to streamline access to the broadcaster's programmatic demand. The sector's worst-performing holding was AMC Entertainment's 2027 Senior Secured Bond, trading down 99.80 bps. The company has struggled with weak box-office demand, but recently announced several collaborative refinancing transactions that extend up to \$2.45 billion of debt maturities from 2026 to 2029. The Media & Communications sector will monitor Verizon's acquisition of Frontier Communications, as pure-play fiber acquisitions may increase within the large telecommunications space if interest rate cuts come to fruition.

REGAL-FIG*Lead Analyst: Anshul Dadayyapally*

The REGAL-FIG sector returned 0.23% nominally this month. The sector's best-performing holding was Century Casinos' 2029 TLB, trading down 64.70 bps. Century Casinos is nearing the end of its CapEx program, as it will complete several projects in the second half of the year. The company was recently downgraded from a B to a B-. The sector's worst-performing holding was MoneyGram International's 2030 TLB, trading down 75.90 bps. MoneyGram International failed to reduce borrowing costs on its \$398.00 million loan that helped finance MDP's LBO of MoneyGram. The sector is optimistic about the REGAL market, especially as rising property values are expected to create more deal flow. Interest rates will be constantly monitored to find better value in pitching bonds.

Portfolio Analysis

Company Name	Sector	Security	Maturity	Coupon	Buy-In Price	Buy-In Amount	Opening Price ¹	Closing Price	Facility Rating ²	Price Return	Total Return
Dave & Buster's	Consumer	Loan	6/29/2029	8.445%	100.375	\$3,999.00	100.250	99.875	B1/B	(37.4) bps	33.8 bps
SeaWorld Entertainment	Consumer	Loan	8/25/2028	7.810%	100.625	\$6,000.00	100.125	100.500	Ba2/BB+	37.5 bps	103.5 bps
SM Energy	Energy	Bond	9/15/2026	6.750%	98.742	\$2,000.00	100.119	100.140	B1/BB-	2.1 bps	58.3 bps
Northern Oil and Gas	Energy	Bond	6/15/2031	8.750%	105.854	\$1,300.00	105.762	107.039	B2/B+	120.7 bps	189.6 bps
Frontera Energy	Energy	Bond	6/21/2028	7.875%	81.135	\$1,000.00	80.031	81.723	NR/B+	211.4 bps	293.4 bps
Martin Midstream Partners	Energy	Bond	2/15/2028	11.500%	104.130	\$1,000.00	103.746	104.989	Caa1/B+	119.8 bps	212.2 bps
EMBECTA Corp	Healthcare	Bond	2/15/2030	5.000%	80.523	\$4,000.00	85.826	90.114	B1/B+	499.6 bps	548.1 bps
ModivCare	Healthcare	Bond	10/1/2029	5.000%	72.523	\$6,500.09	67.450	71.916	Caa2/CCC	662.1 bps	723.9 bps
IHS Holdings	Industrials	Bond	9/18/2027	8.000%	86.680	\$8,000.00	97.571	99.521	B3/B+	199.9 bps	268.2 bps
DXP Enterprises	Industrials	Loan	10/7/2030	9.559%	100.313	\$5,000.00	100.625	100.250	B2/B	(37.3) bps	46.3 bps
Danaos Corp	Industrials	Bond	3/1/2028	8.500%	110.708	\$7,000.00	103.360	102.843	Ba3/BB+	(50.0) bps	18.5 bps
Consensus Cloud Solution	IT	Bond	10/15/2028	6.500%	89.060	\$4,994.00	91.159	88.941	B2/B+	(243.3) bps	(183.9) bps
Playtika	IT	Loan	3/13/2028	8.060%	99.625	\$4,000.00	100.250	99.875	Ba2/BB+	(37.4) bps	30.1 bps
Carpenter Technology	Materials	Bond	7/15/2028	6.375%	96.616	\$5,000.00	100.406	100.164	B1/BB	(24.1) bps	28.8 bps
Cleveland Cliffs	Materials	Bond	3/1/2029	4.625%	89.005	\$3,000.00	94.456	94.038	Ba3/NR	(44.3) bps	(3.5) bps
U.S. Steel	Materials	Bond	3/1/2029	6.875%	104.281	\$2,000.00	100.547	100.603	B1*/BB-	5.6 bps	62.6 bps
Tronox	Materials	Loan	3/13/2028	7.810%	99.375	\$4,000.00	100.250	100.125	Ba2/BB	(12.5) bps	52.7 bps
AMC Entertainment	M&C	Bond	11/1/2027	12.750%	100.940	\$3,000.00	105.329	104.278	B3/B-	(99.8) bps	1.1 bps
Magnite	M&C	Loan	2/6/2031	9.695%	98.810	\$5,000.00	98.625	100.000	Ba3/BB	139.4 bps	222.3 bps
Century Casinos	REGAL-FIG	Loan	4/2/2029	11.295%	97.125	\$2,000.16	96.625	96.000	B3/B-	(64.7) bps	33.8 bps
Moneygram International	REGAL-FIG	Loan	6/3/2030	9.767%	99.750	\$1,453.94	98.875	98.125	B2/NR	(75.9) bps	7.9 bps

SECTOR ANALYSIS

Sector Analysis	Loans	LSTA 100 ³	Relative	Bonds	LLC HY ³	Relative
Consumer & Retail	0.76%	0.46%	0.30%	-	1.46%	-
Energy	-	0.41%	-	1.62%	1.31%	0.31%
Healthcare	-	0.55%	-	6.54%	1.74%	4.79%
Industrials	0.46%	0.43%	0.03%	1.65%	1.38%	0.27%
IT	0.30%	0.63%	-0.33%	-1.84%	2.00%	-3.84%
Materials	0.53%	0.43%	0.09%	0.25%	1.38%	-1.13%
Media & Communications	2.22%	0.59%	1.63%	0.01%	1.89%	-1.87%
REGAL-FIG	0.23%	0.54%	-0.31%	-	1.71%	-
Total	0.80%	0.48%	0.32%	1.96%	1.54%	0.42%

Loan Statistics ⁴	Loans Weight
WA YTM	8.54%
WA Coupon	8.81%
WA Net Return	3.54%
Bond Statistics	Bonds Weight
WA YTM	8.20%
WA Coupon	7.16%
WA Duration	2.602
WA Net Return	11.54%

PORTFOLIO OVERVIEW

LLC Portfolio (beginning 1/1/2018)

Beginning Portfolio Value	\$124,854.79
Current Portfolio Value	\$199,324.06

LLC Portfolio (YTD)

Beginning Positions Value	\$108,331.04
Beginning Cash Balance	\$51,351.37
Beginning Accumulated Interest	\$14,577.82
Opening Portfolio Value	\$174,260.23 12/29/23
Current Positions Value	\$82,549.83
Current Cash Balance	\$109,638.13
Current Accumulated Interest	\$7,136.09
Current Portfolio Value	\$199,324.06 14.38% YTD

RELATIVE PERFORMANCE

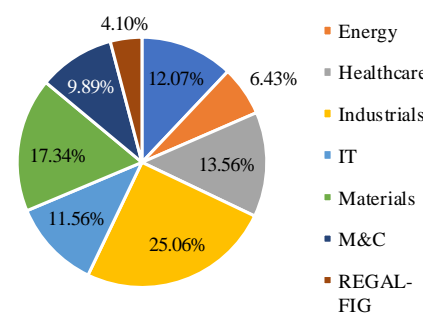
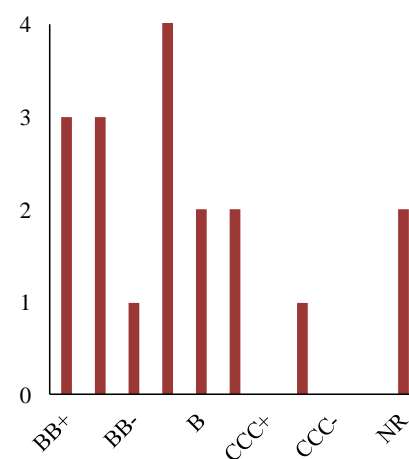
August 2024 Holdings Performance

Leveraged Lion Capital	1.52%
LSTA 100 Index	0.48%
LLC vs. LSTA 100	0.32%
LLC HY	1.54%
LLC vs. LLC HY	0.42%

Current Holdings YTD Performance

Leveraged Lion Capital	7.21%
LSTA 100 Index (TR)	5.30%
LLC vs. LSTA 100	1.91%
HYB Index (TR)	6.81%
LLC vs. HYB Index	0.40%

PORTFOLIO BREAKDOWN



AUGUST BEST PERFORMER



NOTES

¹ Opening prices for instruments added to the portfolio during the month are the price at market close on the first trading day of the month, not necessarily the buy-in price. 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. ⁴ Net Return is based on the total return of investments since buy-in

AUGUST WORST PERFORMER



Fall 2024 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					
Luke Zoll	President	2025	lukezoll9@gmail.com	lqz5233@psu.edu	215-880-1390
Pearse Kelly	Vice President	2025	pearsek20@gmail.com	pjk5630@psu.edu	484-431-6140
Peyton Brezski	Chief Investment Officer	2025	pbrezfin@gmail.com	pfb5266@psu.edu	484-945-3228
Max Aurilio	Chief Operating Officer	2025	max.aurilio@gmail.com	mqa5972@psu.edu	717-598-1682
Zander Golden	Chief Financial Officer	2025	goldenzander12@gmail.com	zxcg5147@psu.edu	808-650-1032
Directors					
Jayden Golden	Co-Director of PSFIA	2026	golden.jayden4@gmail.com	jvg6168@psu.edu	808-476-9019
Jakub Dingo	Co-Director of PSFIA	2026	jakubcdingo@gmail.com	jcd5828@psu.edu	740-319-1528
Lulu Douglas	Director of Outreach	2026	lulu.douglas25@gmail.com	lrd5346@psu.edu	508-850-5041
Dean Allen	Co-Director of Research	2026	drallen1123@gmail.com	dra5364@psu.edu	267-234-4151
Noah Simone-Dobin	Co-Director of Research	2026	noahsd26@gmail.com	nvs5803@psu.edu	610-329-1900
Alex Kornblatt	Co-Director of Education	2026	atkorn15@gmail.com	atk5368@psu.edu	610-334-5828
Sid Sharma	Co-Director of Education	2026	sharma.sid.2004@gmail.com	sms9507@psu.edu	913-601-0495
Charles Loose	Co-Director of Pitch Quality	2026	owenloose33@gmail.com	col5489@psu.edu	717-847-5742
Ben Petrusis	Co-Director of Pitch Quality	2026	benpetrusis@gmail.com	bpp5339@psu.edu	610-235-9068
Madi Hunter	Director of Earnings	2026	madelinehunter13@gmail.com	mmh5290@psu.edu	814-769-3603
George Quarrantey	Director of Monthly Reports	2026	quarranteygeorge@gmail.com	gfg5008@psu.edu	862-281-5926
Jack Condran	Director of Weekly Reports	2026	jackcondran8@gmail.com	jmc8960@psu.edu	610-608-1875
Ivan Sosa	Director of Philanthropy	2025	ivasosamontalvo@gmail.com	iqs5246@psu.edu	832-998-7927
Youngbin Song	Director of THON	2025	youngbinsong0420@gmail.com	yvs5484@psu.edu	347-635-0807
Lead Analysts					
McKenzie Smith	Consumer & Retail	2026	kenzie.smith2304@gmail.com	mbs6834@psu.edu	223-225-6836
Sam Kilariski	Energy	2027	samkilariski19@gmail.com	srk5836@psu.edu	814-826-8858
Shawn Wang	Healthcare	2027	shawn4wang@gmail.com	slw6239@psu.edu	267-890-9278
Dimitri Rainey	Industrials	2026	raineydimitri@gmail.com	dsr5442@psu.edu	201-661-4121
Rohan Thandassery	Information Technology	2027	thandasseryrohan@gmail.com	rpt5400@psu.edu	469-794-8828
Luke Hamaty	Materials	2026	lukehamaty13@gmail.com	lmh6416@psu.edu	724-953-9766
Mike Aquilino	Media & Communications	2027	michael.aquilino3@gmail.com	mfa6121@psu.edu	914-450-5459
Anshul Dadayypally	REGAL-FIG	2027	dadayypally.anshul@gmail.com	and5771@psu.edu	484-408-8349
Associate Analysts					
Karac Webb	Consumer & Retail	2027	webbkarak@gmail.com	kkw5573@psu.edu	917-355-0887
Mert Budak	Consumer & Retail	2027	mcbudak1@gmail.com	mc6262@psu.edu	484-719-7373
Christopher Cervantes	Energy	2027	ccervantes13579@gmail.com	csc5677@psu.edu	720-329-6709
William Gavin	Energy	2027	wjgavin05@gmail.com	wjg5324@psu.edu	717-839-1209
Adam Conti	Healthcare	2027	adamfconti@gmail.com	afc6270@psu.edu	267-572-1191
Kyle Lehman	Healthcare	2027	kylelehman2023@gmail.com	Kjl6101@psu.edu	717-991-0433
Grace Manion	Industrials	2026	gracemanion8@gmail.com	ggm5437@psu.edu	215-375-1691
Anton Skvortsov	Industrials	2027	adskvortsov80@gmail.com	aqs7358@psu.edu	610-573-6399
Preet Lodha Jain	Information Technology	2027	preetjain1506@gmail.com	pal5438@psu.edu	610-226-5316
Arjun Kapasia	Materials	2026	arjunkapasia333@gmail.com	ahk5329@psu.edu	508-353-7533
Devon Runk	Materials	2027	devonrunk@gmail.com	dqr5560@psu.edu	484-340-8907
Alessia Goffo	Media & Communications	2026	alessiagoffo915@gmail.com	avg6272@psu.edu	239-248-7826
Connor Grauel	Media & Communications	2027	connorgrauel23@gmail.com	cag6359@psu.edu	610-331-2174
Tejas Gatehouse	REGAL-FIG	2027	tejasgate@gmail.com	tlg5658@psu.edu	917-583-1983
Grace Misha	REGAL-FIG	2027	gracemisha5@gmail.com	gkm5446@psu.edu	201-638-2953

