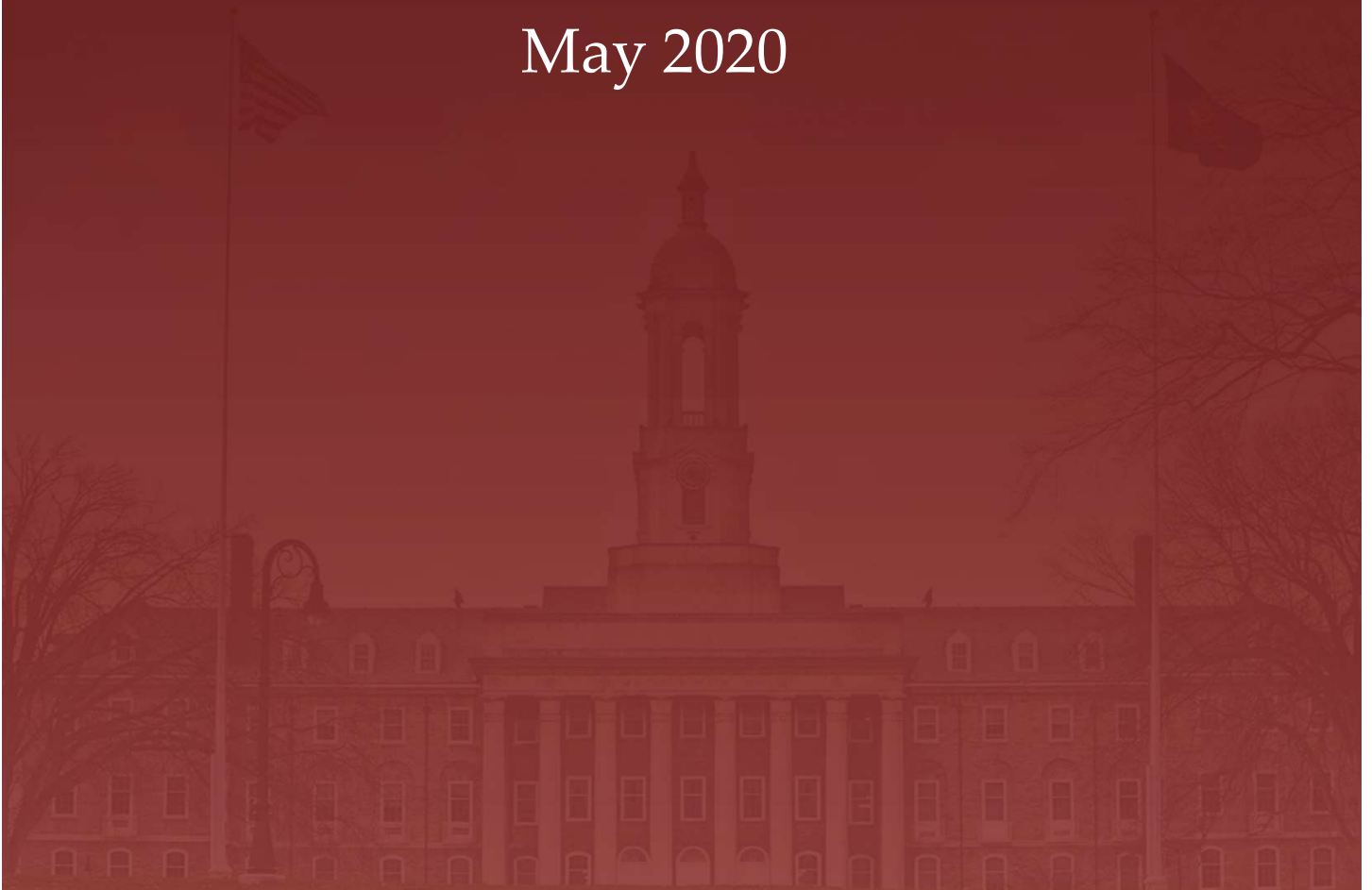


# Leveraged Lion Capital Monthly Report

May 2020



## LLC Updates

Leveraged Lion Capital began Summer 2020 on a positive note, with the organization's rising juniors and seniors preparing for great starts to their summer internships. In June and July, LLC members will start their summer analyst programs at Bank of America, UBS, J.P. Morgan, Deutsche Bank, and several other top financial institutions. Meanwhile, a handful of rising juniors have already received offers for Summer 2020 internship programs in Sales & Trading and Investment Banking at firms like Citigroup, Morgan Stanley, and Houlihan Lokey.

In May, Leveraged Lion Capital had its first summer Zoom call where analysts provided comprehensive updates on sector holdings, covering sector specific news, secondary trading levels, and earnings. Throughout the summer LLC members will continue to catch up every few weeks as analysts follow holdings, keep up with credit & equity markets, and hear from Penn State alumni.

This summer, new members of Leveraged Lion Capital will complete a series of summer assignments with the purpose of improving the organization's understanding of fixed income markets. The summer assignments will increase new Associates' financial vocabulary and develop the three-statement modeling skills of all members of the organization. Leveraged Lion Capital is committed to training the next generation of Wall Street professionals through education, experiential learning, and an inclusive environment for students.

## 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 Vipperla	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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- Kevin Kalnas  
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- Organizational Overview

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Ben is an analyst in the High Yield Credit Group at First State Investments. Ben graduated from Penn State in 2018, where he served as the Chief Investment Officer (CIO) for LLC. Ben interned with Citi Markets during the summer of 2017 before returning to Citi as a High Yield Credit analyst.

## Alumni Spotlight: Benjamin Rowles '18

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

I joined the organization when it started in the Fall of 2016 as a Junior and was a member through Graduation in 2018. I was part of the initial founding executive board where I held the position of Chief Investment Officer (CIO) over my tenure helping launch the organization and recruit the first class of analysts/PMs.

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

LLC helped prepare me for a career by exposing me to true credit analysis and business model valuation on both the performing high yield and distressed credit spaces. The skills developed through my time with LLC on both the macro credit allocation side and micro fundamental analysis side of the space have been vital to my success as an investment analyst and risk manager. Lower quality credit, especially HY/distressed, is the most fundamental area of public investing in my view as unlike typical equities or more performing

public investing, there is typically substantial true credit risk and thus cash flows and business trajectory fundamentals are paramount. If your analysis is incorrect, there is typically actual solvency risk and potentially permanent loss of capital, versus other asset classes where it's much easier to be "right for the wrong reason" where you can buy and hold without fear of truly getting wiped out. Further, given the more liquid nature of the space, there is always a true scoreboard and daily gauge of the success of your investment decisions, which is a unique difference versus similar "high risk" fundamental investment strategies like private credit/direct lending and private equity where marks are more so mark-to-market versus mark-to-market. The organization further instilled a work ethic and sense of accountability to my investment decisions and work product, while also helping develop a network of like-minded colleagues and friends all with a unique outlook on their areas of focus and expertise. Developing that network and forming those friendships with like-minded individuals with different perspectives on various topics is an aspect of LLC that is truly unique to the organization and has been a huge boon to my success following graduation.



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## Alumni Spotlight: Benjamin Rowles '18

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

The most important advice I would give members of LLC is that, in all aspects of finance/your ultimate career, you get out what you put in. One of the thrills of the finance world is that there are so many unique intersections both cross-asset and cross-strategy in the space regardless of if your ultimate goal is to stay in public investing at a hedge fund/private equity or remain in a corporate-focused role within a company/investment bank. You're playing a 3D-chess match in any career path you take against a constantly evolving global backdrop of progress, evolution, and uncertainty about both the near-term and longer-term future. The only way to start to gain a feel and strive to understand this chaotic system where multiple trains of thought reach a cross-roads is to have an extreme sense of curiosity and a Kaizen mentality of constant improvement of your process, knowledge base, and broader understanding of how the world works. LLC provides you a unique opportunity to springboard this understanding base at an unbelievably rapid pace over your time with the organization, and truly get reps in honing your craft. The

knowledge pool of mentors in the organization/at Penn State who have gone through the process and the network of friends you develop that are similarly motivated and curious individuals is an unparalleled opportunity unique to the school. Given your ultimately short-time in college and with the organization, your goal should be to both get as much out of your time/the organization as you can, and ultimately be there to return the favor to the next generation down the road.

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

For the upcoming summer, while the Covid-19 situation is a unique once in a life-time exogenous shock, I would emphasize that you (1) not be afraid to fail and (2) be highly curious and inquisitive. The most successful people in this industry aren't afraid of risk and embrace the challenge while making the most of any setbacks. Further, they aren't afraid to admit they're wrong when it comes to topics that lay outside their area of expertise and take advantage of experts around them to advance their understanding of the world. Ultimately your ability to gain a return offer and broadly succeed in your career endeavors is to show that you're intelligent, interested, and motivated but this is a bare minimum to success. Showing a unique sense of curiosity and introspection on top of that when it comes to your decisions and interactions over the summer and when starting your career will set the tone and trajectory for your path into the future. Ultimately, striving to learn something new, meet someone new and chip away at broadening your understanding of the world during your early years as an intern/analyst will ultimately create a strong base to build off of through your entire career.

### Leveraged Loan & HY Bond News

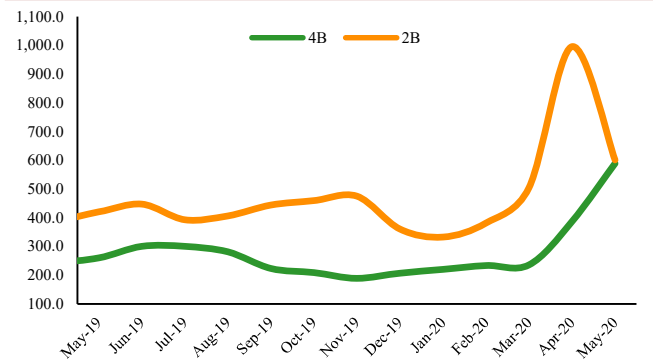
Leveraged Loans returned 3.41% during the month, underperforming High Yield's 4.5%. May saw a slight improvement in issuance to \$7.9 bn, up from \$7.6 bn in April. The recovery in new-issue loans contrasts sharply, however, with record high-yield issuance of \$45 bn. Gross priced volume clocked in at \$9.9 bn, which is still dwarfed by January's three-year high of \$119.2 bn. CLO activity picked up slightly as inflows ticked up to \$6 bn, while loan mutual funds continued their streak of outflows, bringing the total for the month to \$1.9 bn. While the new-issue market continued its march toward normalization, prospects for a big upswing in issuance remain modest. However, a string of recent transactions indicate that issuers are beginning to target 2021 and 2022 maturities for refinancing, and the myriad of rescue deals continues unabated at increasingly tight yields for issuers less directly affected by Covid-19.

The month of May was one for the record books within the HY space – with roughly \$45 bn of new issuance and continued recovery in an active secondary market. The run was largely supported by the positive technical influences of ongoing retail cash inflow to the asset class as well as the low underlying U.S. Treasury rates. New issues were deeply in demand, at times as much as 5x-8x oversubscribed, which ushered in big runs in post-break trading.

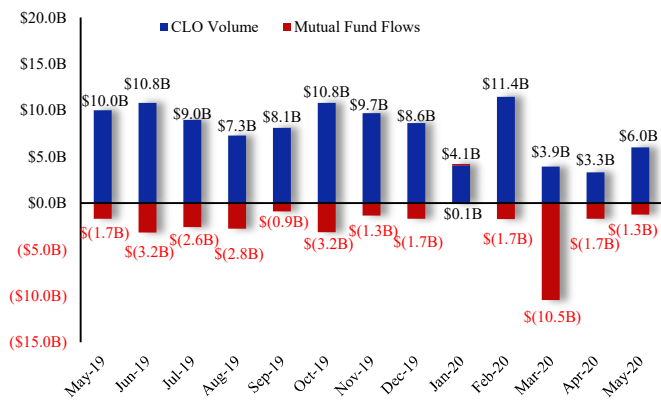
### CIO Commentary

For the month ending May 2020, Leveraged Lion Capital's loan portfolio returned 2.90% nominally, a relative underperformance to the LSTA 100 Index of (0.51%). Meanwhile, the Leveraged Lion Capital's HY Bond portfolio returned 7.55% nominally, a relative outperformance to the HY Index of 3.85%. Since May was the first month of summer, the organization did not pitch any new transactions and merely monitored our existing holdings. Throughout the month, only 4 out of our 24 total holdings traded down with our best performing holding, Summit Midstream, trading up 91% and our worst performing holding, Hexion, trading down 2.08%.

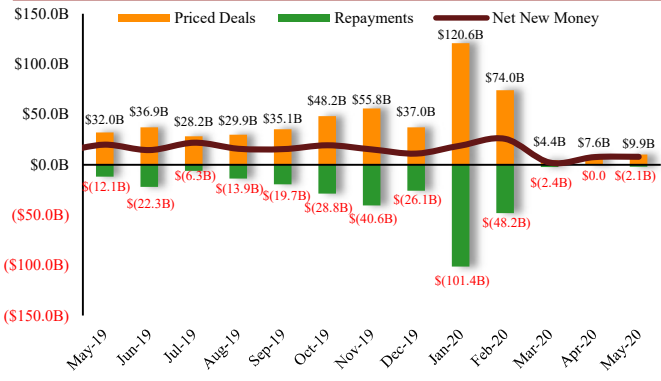
### Net New Money



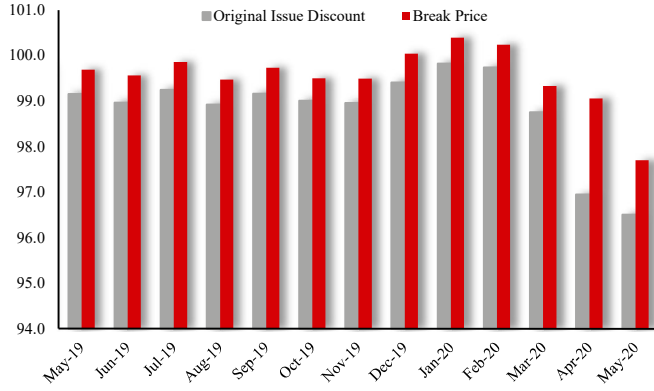
### CLO/Mutual Fund Flows



### Regular Way Deal Pricing



### Break vs. Issue Price



## New-Issue Market Trends

Following April's huge spike in new-issue pricing, May saw regular-way refinancing and amend-to-extend activity begin to emerge alongside the ongoing flow of nonfungible rescue/liquidity deals and pre-Covid-19 M&A executions. May proved to be an issuer-friendly flex month as we saw 13 loans flex lower and merely three move wider. We are also beginning to see an emergence of normalization, with first-lien spreads tightening to L+645, down from L+870 in April. Furthermore, deals on average broke 113 bps above their issue price in May, which is down from April's 211 bps high water mark as improved call protection became the norm.

## Credit/Documentation Trends

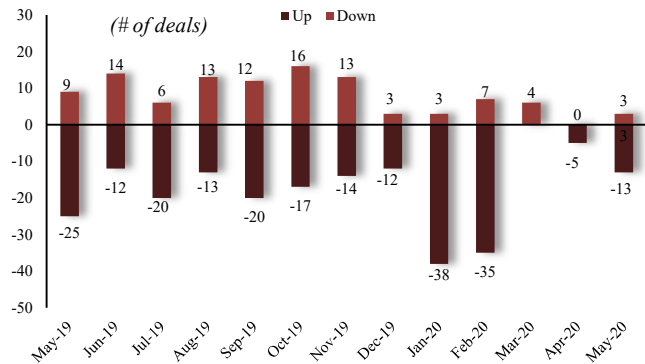
Despite regular-way loans being more prominent in May, we are still witnessing covenant terms at their most restrictive levels in years. Throughout the entire month of May, no loans were issued with an MFN sunset. In the last three months, the average dollar cap of free-and-clear incremental tranches on M&A driven loans dropped to 0.79x, down from a recent high of 0.88x in the first quarter. Moreover, the share of loans with free-and-clear grower components plunged to 64%, down from 77%.

## Default Statistics

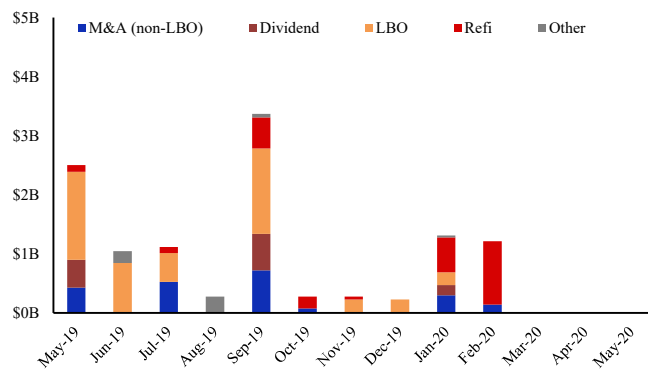
The month of May saw eleven issuers default, bringing the TTM default rate up a whole percent to 3.6%. The month saw some very high-profile companies default on their obligations; names such as J. Crew, Neiman Marcus, Revlon, Intelsat, JC Penney, and Hertz all filed for Chapter 11 protection. On the other hand, Fitch's Top Loans of Concerns list fell about \$13 bn, bringing the total to around \$56.1 bn at the end of the month. Finally, the percentage of loans rated triple-C continued to climb higher, registering a remarkable 10% in May, up from just 5.8% in February.

Data and charts used in the May CIO Commentary (pages 3, 4, and 5) were directly retrieved from the LevFin Insights May Monthly Report, the Loan Syndications and Trading Association (LSTA) "May 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.

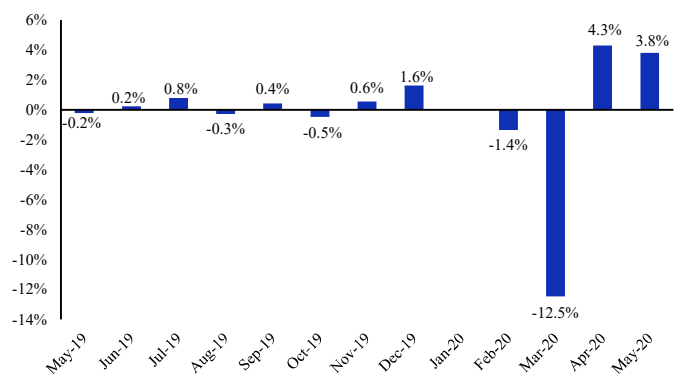
## Flex Activity



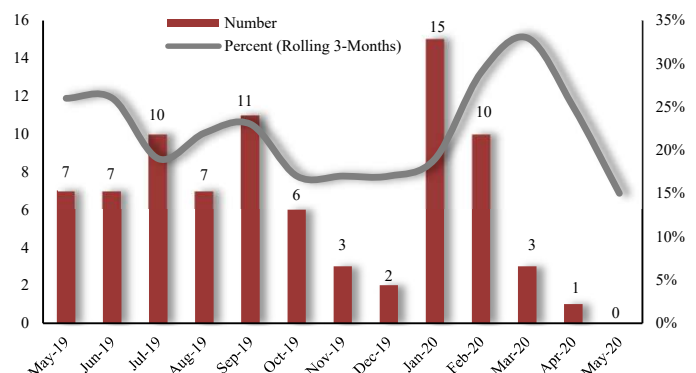
## New-Issue Middle-Market Loan Volume



## Monthly Returns



## Deals That Cleared with MFN Sunsets



# Leverage Statistics

# LLC

## 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	1.57x	0.97x	N/A	0.89x
Restricted Payments	0.52x	0.25x	N/A	0.32x
Investments in Unrestricted Subs	0.79x	0.95x	N/A	0.89x
<b>Accordion</b>				
Percentage with an Accordion Inside Maturity Carveout	40.0%	36.4%	N/A	35.3%
<b>Asset Sale Sweep</b>				
Percentage with an Asset Sales Sweep Step Down	40.0%	36.4%	N/A	35.3%
<b>ECF Sweep</b>				
Percentage with initial ECF Sweep at $\geq 75.0\%$	0.0%	27.3%	N/A	17.7%
<b>Financial Maintenance Covenant Springing Tests</b>				
Percentage with Springing Covenants	60.0%	45.5%	N/A	47.1%
Avg. Revolver Utilization Threshold for Covenant Springing Tests	36.7%	35.5%	N/A	35.9%
Percentage with First Lien Leverage Test	60.0%	54.6%	N/A	52.9%
Avg. First Lien Leverage Initial Test	8.07x	5.95x	N/A	6.66x
Avg. Headroom @ Close to First Lien Leverage Initial Test	3.00x	2.59x	N/A	2.72x
<b>EBITDA Adjustments – Synergies &amp; Cost Savings</b>				
Percentage of Loans That Allow Uncapped Adjustments	20.0%	36.4%	N/A	29.4%
Avg. Cap if Capped Adjustments Based on EBITDA	25.0%	23.8%	N/A	24.3%
Avg. Time Horizon for Actions Resulting in Addbacks (Months)	25.5	22.7	N/A	23.5

## Credit Statistics

As of 05/31/2020	Loan Covenant Trend Summary Table												Increase / Decrease	
	2017				2018				2019					2020
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
<b>Credit Stats</b>														
Percentage with Uncapped EBITDA Adjustments	30%	45%	40%	63%	43%	53%	42%	33%	38%	31%	34%	54%	↓	
<b>Accordion Free-and-Clear Tranche</b>														
Avg. Hard Cap / Pro Forma Adj EBITDA (M&A Related)	0.83x	0.82x	0.87x	0.94x	0.78x	0.86x	0.80x	0.75x	0.78x	0.83x	0.85x	0.88x	↓	
Avg. Hard Cap / Pro Forma Adj EBITDA (All Deals)	0.81x	0.81x	0.82x	0.86x	0.79x	0.89x	0.76x	0.74x	0.78x	0.82x	0.75x	0.81x	↓	
Percentage with Growers	34%	56%	53%	73%	61%	84%	67%	74%	92%	70%	72%	77%	↓	
Percentage with Inside Maturity	7%	15%	29%	32%	35%	39%	22%	38%	41%	45%	34%	53%	↓	
<b>MFN</b>														
Percentage with MFN Sunset	18%	21%	21%	32%	26%	32%	17%	20%	26%	23%	19%	33%	↓	
Count with MFN Sunset	19	22	31	60	50	35	25	18	29	28	11	28	↓	
Percentage with MFN Carveouts														
Dollar-Capped	20%	29%	20%	56%	32%	56%	29%	23%	22%	24%	23%	36%	↓	
Maturity	18%	27%	24%	49%	38%	33%	24%	40%	38%	29%	28%	51%	↓	
<b>Mandatory Prepayments</b>														
Percentage with Asset Sale Sweep Step-downs	18%	35%	31%	49%	40%	45%	38%	31%	41%	38%	31%	52%		
<b>Minimum Day-One Capped Basket Capacity</b>														
General Purpose Debt	1.61x	1.58x	1.48x	1.67x	1.59x	1.76x	1.47x	1.56x	1.72x	1.65x	1.48x	1.68x	↓	
General Restricted Payments	0.36x	0.44x	0.49x	0.52x	0.46x	0.54x	0.47x	0.47x	0.45x	0.53x	0.36x	0.61x	↓	
Unrestricted Subsidiary Investments Capacity	0.92x	1.05x	1.00x	1.29x	1.22x	1.31x	1.09x	1.24x	1.07x	0.99x	0.93x	1.25x	↓	

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)	523.64	189.33	N/A	810.28
Avg. Tranche Size	582.00	986.05	N/A	891.91
<b>Credit Stats (M&amp;A Deals Only)</b>				
Avg. EBITDA Adjustment (as % of Pro Forma Adjusted EBITDA)	24.7%	12.1%	N/A	16.3%
Avg. Gross PF Adjusted Total Leverage	7.10x	5.04x	N/A	5.72x
Avg. Gross PF Adjusted Total Leverage incl. Free-and-Clear Tranche Only	7.98x	5.99x	N/A	6.65x
Avg. Gross PF Adjusted Total Leverage incl. General Purpose Debt Capacity	8.74x	7.61x	N/A	7.99x
Percentage of Deals with Gross Adjusted Pro Forma Debt/EBITDA $\geq 6x$	N/A	N/A	N/A	N/A
<b>Percentage of Deals Cov-Lite</b>				
All Loans	100.0%	83.3%	N/A	83.3%

## Consumer & Retail

Consumer & Retail loans returned 3.95% nominally this month and bonds returned (0.66%). The Sector's best performing holding this month was Chefs' Warehouse Term Loan B, trading up 6.83% nominally. The company adapted to current conditions by launching a DTC platform and raising funds through a secondary stock offering. The Sector's worst performing holding was GameStop's Senior Unsecured Notes, returning (0.66%) nominally. Despite optimism due to a large increase in online sales and next-generation gaming consoles coming this year, GameStop missed 1Q2020 revenue estimates and proposed an exchange offer and consent solicitation for the Company's Unsecured Notes. The Sector will be monitoring retail performance as brick and mortar storefronts reopen and a rise of retail bankruptcies continues.

## Energy & Utilities

Energy loans returned 12.70% nominally this month and bonds returned 91.68% nominally. The Sector's best performing holding this month was Summit Midstream's Senior Unsecured Notes, trading up 91.68% nominally. Investors reacted positively to a simplification deal closed on May 28 in which the Company acquired Summit Midstream Investments, the general partner, for \$35.00 mm plus warrants covering up to 10.00 mm common units. The Sector's worst performing holding this month was Par Pacific's Term Loan B, returning 11.08% nominally. The market reacted well to the Company's \$100.00 mm private offering of Senior Unsecured Notes maturing in 2026, which will be used for general corporate purposes. The Sector will be monitoring the Baker Hughes June 2020 rig count report, which will be released in the first week of July.

## Healthcare

Healthcare loans returned 14.49% nominally this month and bonds returned 1.96% nominally. The Sector's best performing holding this month was CryoLife's 2024 Term Loan B, trading up 14.49% nominally. While the company reported \$66.40 mm in revenue in 1Q2020, a 2.00% decrease from 1Q2019, CryoLife continues its PROACT Xa clinical trials amid the COVID-19 pandemic. The Sector's worst performing holding this month was Teva Pharmaceutical's 2022 Senior Unsecured Notes, returning 1.96% nominally. The company reported strong earnings of \$4.35 bn in 1Q2020 and received product approval in China for its drug Austedo, which treats the disease Chorea. Moving forward, the sector will be monitoring developments between AstraZeneca and Gilead Sciences amid rumors of a potential merger.

## Industrials

Industrials loans returned (1.53%) nominally this month and bonds returned (5.71%). The Sector's best performing holding this month was Ducommun Incorporated's Term Loan B, trading up 2.66% nominally. Despite the COVID-19 pandemic disrupting industrial production, the Company reported revenues of \$173.50 mm, which is its ninth consecutive quarter of year-over-year growth. The Sector's worst performing holding this month was Tutor Perini's 2025 Senior Unsecured Notes, returning (5.71%) nominally. The Company underperformed after management commented on potential buyout rumors being scrapped, with investors still anticipating 1Q2020 results. The Sector will be monitoring US-China trade relations as President Trump and China exchange harsh rhetoric.



## Information Technology

Information Technology loans returned 1.58% nominally this month and bonds returned 1.50% nominally. The Sector's best performing holding this month was Maxar Technologies' Term Loan B, trading up 2.58% nominally. The market reacted favorably to the Company's announcement of a multi-hundred million dollar contract award to build several 1300-Class communications satellites. The Sector's worst performing holding this month was Cerence's Term Loan B, returning 1.00% nominally. The Company announced the continuation of its long-term contract with Audi to deliver artificial intelligence for the car-maker's voice assistant. The Sector will continue monitoring the Trump Administration's sanctions against Huawei and the impact banning sales to the Chinese tech giant will have on the U.S. Semiconductor industry.

## Materials

Materials loans returned (0.44%) nominally this month and bonds returned (2.08%) nominally. The Sector's best performing holding this month was Boise Cascade's Term Loan B, trading down (0.44%), nominally. The Company announced its Building Materials Distribution likely is "benefiting from higher commodity prices, which should help offset volume headwinds" from the economic downturn. Additionally, wood product trends shown by new construction data and repair activity have been stronger than expected, and volume and price trends continue to shift positively for the rest of 2020. The Sector's worst performing holding was Hexion's Senior Unsecured Notes, returning (2.08%) nominally. The Sector will be monitoring the release of the Home Builders Index on Monday, June 15th.

## Media & Communications

Media & Communications loans returned 1.21% nominally this month. The Sector's best performing holding this month was Beasley Broadcast Groups Term Loan B trading up 1.21% nominally. The credit traded up despite a decrease in advertising revenue due to less commuting workers, and the Company will report its 1Q2020 earnings on Monday, June 29. The Sector's other holding, Sprint's Term Loan B, was repaid at par during the month. The sector will continue to monitor the expansion and deployment of 5G across the United States.

## REGAL-FIG

REGAL-FIG loans returned (2.93%) nominally this month and bonds returned 21.93% nominally. The Sector's best performing holding this month was Realogy's Senior Unsecured Notes, trading up 25.84% nominally. 77 of the 250 agents recognized at the NAHREP Top 250 Latino Agents event in May were agents of Realogy franchisees. The Sector's worst performing holding this month was Walker & Dunlop's Term Loan B, returning (0.07%) nominally. Walker & Dunlop used the HUD LEAN refinance and lending program throughout May to fund \$37.00 mm for healthcare and supportive living facilities. The Sector will be monitoring the implications of credit charges on financial institutions reflected in 2Q2020 earnings.

# Portfolio Analysis

# LLC

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>	May Return (%)
YUM Brands, Inc	Consumer	4/03/2025	L + 175	2.90%	\$5,084.40	\$96.34	\$96.82	Ba3/BB	0.67%
Winn-Dixie	Consumer	11/08/2023	L + 350	5.06%	\$6,101.40	\$92.31	\$96.63	B2/BB	4.99%
Chiefs' Warehouse	Consumer	6/22/2022	L + 400	10.76%	\$4,271.00	\$84.00	\$89.40	B2/B+	6.83%
GameStop	Consumer	3/15/2021	6.75%	49.00%	\$10,421.41	\$77.62	\$76.57	Ba2/BB-	-0.66%
Par Pacific	Energy	1/11/2026	L + 675	12.10%	\$1,893.04	\$75.69	\$83.50	B1/BB-	11.08%
California Resources	Energy	12/31/2022	L + 475	118.72%	\$3,842.23	\$24.59	\$28.04	B2/B	16.93%
Summit Midstream	Energy	8/15/2022	5.50%	60.90%	\$4,068.65	\$25.31	\$48.13	Ba3/BB+	91.68%
Cryolife	Healthcare	12/01/2024	L + 325	5.38%	\$4,044.00	\$82.13	\$93.75	B2/B	14.49%
Teva Pharmaceuticals	Healthcare	12/18/2022	2.95%	7.84%	\$4,864.53	\$88.22	\$89.72	Ba2/BB	1.96%
Tutor Perini	Industrials	5/01/2025	6.88%	10.65%	\$4,865.77	\$79.92	\$87.87	B2/B+	10.61%
CVGI	Industrials	4/12/2023	L + 600	8.76%	\$2,473.00	\$93.88	\$94.63	B2/B	1.31%
Ducommun Incorporated	Industrials	11/21/2025	L + 400	6.43%	\$5,037.38	\$91.56	\$91.81	B2/B+	0.64%
Lattice Semiconductor	IT	5/17/2024	L + 175	3.68%	\$5,153.14	\$93.63	\$94.75	B2/B	1.38%
Dell	IT	4/15/2038	6.50%	6.04%	\$2,600.00	\$102.96	\$103.93	Ba2/BB-	1.50%
Casa Systems	IT	12/20/2023	L + 400	7.61%	\$4,000.00	\$89.93	\$91.08	B3/B-	1.60%
Maxar Technologies	IT	10/05/2024	L + 275	4.26%	\$1,750.00	\$93.75	\$95.94	B2/B	2.58%
Cerence	IT	10/01/2024	L + 600	8.54%	\$1,750.00	\$92.81	\$93.25	Ba2/BB-	1.00%
Hexion	Materials	7/01/2027	7.88%	10.54%	\$5,082.00	\$91.73	\$89.22	Ba2/BB-	-2.08%
Boise Cascade	Materials	3/30/2026	L + 213	3.06%	\$5,082.00	\$98.00	\$97.38	Ba2/BB-	-0.44%
Beasley Broadcast	M&C	11/01/2023	L + 400	5.03%	\$8,000.00	\$97.38	\$98.19	NR/B	1.21%
Virtu Financial	REGAL-FIG	3/01/2026	L + 300	3.78%	\$2,148.86	\$97.38	\$98.19	Ba3/B+	1.12%
Walker & Dunlop	REGAL-FIG	11/10/2025	L + 200	3.37%	\$1,453.94	\$95.81	\$95.56	Ba2/BBB-	-0.07%
Lindblad Expeditions	REGAL-FIG	3/27/2025	L + 350	11.35%	\$3,000.00	\$76.88	\$76.88	B1/BB	0.38%
Realogy	REGAL-FIG	4/01/2027	9.38%	13.03%	\$3,113.90	\$69.51	\$86.79	B3/B	25.84%

## SECTOR ANALYSIS

Sector Analysis	Loans	LSTA 100 <sup>3</sup>	Relative	Bonds	LLC HY <sup>3</sup>	Relative
Consumer & Retail	3.95%	4.18%	-0.23%	-0.66%	4.73%	-5.39%
Energy	12.70%	10.47%	2.22%	91.68%	11.85%	79.84%
Healthcare	14.49%	1.69%	12.80%	1.96%	1.91%	0.05%
Industrials	0.86%	2.88%	-2.02%	10.61%	3.26%	7.36%
IT	1.58%	1.86%	-0.29%	1.50%	2.11%	-0.61%
Materials	-0.44%	3.10%	-3.54%	-2.08%	3.51%	-5.59%
Media & Communications	1.21%	2.18%	-0.97%	-	2.46%	-
REGAL-FIG	0.52%	3.46%	-2.93%	25.84%	3.91%	21.93%
<b>Total</b>	<b>2.90%</b>	<b>3.40%</b>	<b>-0.51%</b>	<b>7.55%</b>	<b>3.85%</b>	<b>3.70%</b>

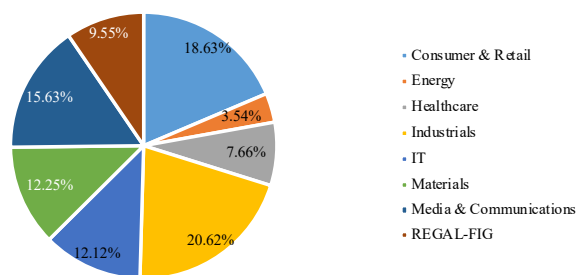
## PORTFOLIO OVERVIEW

LLC Portfolio (beginning 1/1/2018)	
Beginning Portfolio Value	\$124,854.79
Current Portfolio Value	\$93,957.47
Cash Balance	\$37,599.55
LLC Portfolio (YTD)	
Beginning Portfolio Value	\$141,666.55
Current Portfolio Value	\$93,957.47
Cash Balance	\$37,599.55

## RELATIVE PERFORMANCE

May 2020 Performance	
Leveraged Lion Capital	2.90%
LSTA 100 Index	3.40%
LLC vs. LSTA 100	-0.51%
LLC HY	3.85%
LLC vs. LLC HY	3.70%
YTD Performance	
Leveraged Lion Capital	-7.14%
LSTA 100 Index	-3.84%
LLC vs. LSTA 100	-3.30%
LLC HY	-7.43%
LLC vs. LLC HY	0.30%

## PORTFOLIO BREAKDOWN



## MAY BEST PERFORMER



## MAY 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

# LLC

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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