

# Leveraged Lion Capital Monthly Report

April 2020



# Organization Developments

## LLC Updates

Leveraged Lion Capital finished the spring 2020 semester with solo presentations, while emphasizing that students focus on final exams and interview preparation. Throughout April, traditional solos were replaced with individual equity pitches, providing associates a unique opportunity to look at companies from a different perspective while making the most of the limited resources available as we are away from campus.

Penn State alumni on Wall Street continued their extensive support of LLC throughout April as the organization was fortunate to have had the opportunity to hop on phone calls with various alumni. To start off April, Matt Curtin of BofA, Pam Turner of Capital One, and Brian Callahan, former BofA Head of U.S. par loan trading, co-hosted a very insightful high yield and leveraged loan market discussion. Later in the month, Pasquale Stano of Morgan Stanley provided LLC members with a comprehensive update on primary market activity in the leveraged finance space. To close off April, Mike Coppola of Deutsche Bank presented a case study on a recent LBO deal that he worked on and high yield market trends. We are extremely thankful for the continued support of the Penn State network and a special thanks to the aforementioned alumni!

The executive board held exit interviews for all rising juniors to assess where students currently stand within the organization. Following interviews, new position placements were announced and can be found on the accompanying “Organizational Overview” section. Additionally, the executive board created the Director of Distressed Credit Research position, which will offer students the opportunity to gain a deeper understanding of the anatomy of the distressed debt markets and examine some distressed credits.

## New Associate Class – Fall 2020

Name	Sector	Career Interest
Jackson Mordeci	Media & Comm.	Sales & Trading
Caroline Paul	Media & Comm.	Investment Banking
Rachel Keller	Consumer & Retail	Investment Banking
Parth Sachar	Healthcare	Investment Banking
Peter Lehmann	Industrials	Investment Banking
David Pool	Industrials	Investment Banking
Hayden Davidson	REGAL-FIG	Wealth Management
Constantinos Mitchel	Energy & Utilities	Sales & Trading
Kyle Yellin	Energy & Utilities	Investment Banking
Ethan Reid	Materials	Investment Banking
Jeffrey Zhao	Information Technology	Sales & Trading
Justin Huang	Information Technology	Sales & Trading

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- Organizational Overview

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Noelle is an analyst in the Securitized Products Group at Morgan Stanley. Noelle graduated from Penn State in 2018, where she served as the Lead Analyst of the Healthcare Sector for LLC. Noelle interned with Morgan Stanley during the summer of 2017 before returning to the group full-time as an analyst.

### Alumni Spotlight: Noelle Ferrara '18

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

I was a member of LLC from 2017 – 2018 when it was first organized. My junior year I was lead analyst of the healthcare sector, and my senior year I advised as a mentor.

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

LLC prepares you to be fully engaged in the work you present. Putting together pitch materials is an important exercise because it mimics the real world. The real world consists of having a very real proposal to solve a very real problem for a client, so you can be certain that they will ask questions and need you to think on your feet when pitching your ideas. Doing this in LLC makes you understand the importance of being articulate in your pitches and prepares you to think about possible questions that are beyond the obvious in your proposals.

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

To any new member of LLC, one piece of advice is to make sure you are exhaustive in your research and are articulate in your work. It is hard work, there is no part of it that will come

easy. You will find that when you push yourself to make sure you do all of the necessary research and articulate your ideas fully and succinctly, anything new you'd like to learn will come faster because deep-diving will become more of a subconscious habit. This is a skill that will follow you throughout your career, and will surely be one that will differentiates you from the rest.

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

Given the current state of the economy, and the world for that matter, I would advise that any student with a summer internship have one thing – gratitude. Be grateful if your company is guaranteeing full time offers, be grateful if they're not but you still get to intern. Be grateful if they are still paying you. Be grateful that you have a chance to learn something, even if it's not in the same capacity as a normal internship would be. Life is a bit of a labyrinth and sometimes you're not sure why you're not always moving in a straight line (my short 24 years on earth certainly has not been a straight line to where I am). The best thing you could do is be grateful for where you are and what you have, and let life happen a little bit. It keeps things interesting, what a boring world it would be if we always knew where we're going! Take the opportunity you have and make the best of it, be engaged, be enthusiastic, and work hard.

### Leveraged Loan & HY Bond News

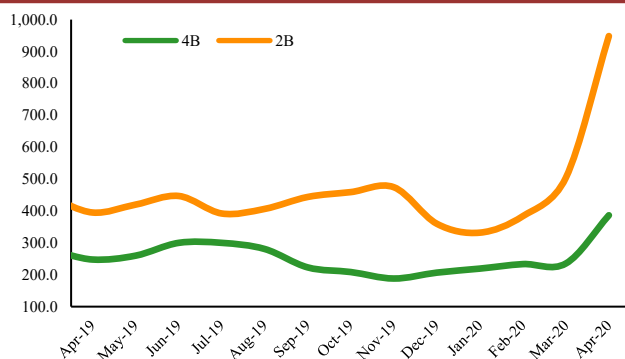
Leveraged Loans returned 4.35% during the month of February, outperforming High-Yield's 3.80% by 55 bps. After an abysmal showing of net issuance in March, we saw a slight rebound in April to \$7.6bn (still extremely low compared to February's \$25.7bn). April also saw new-issue CLOs continue to steep downward to \$3.3bn and outflows from loan mutual funds clock in at \$1.7bn, albeit a significant decrease from March's prodigious \$9.7bn in outflows. For the second month in a row, the Credit Suisse Leveraged Loan Index outstandings contracted, bringing the total now to \$1.254tn. Although the new-issue market is becoming more receptive for well-rated issuers after a string of rescue deals in April, issuance will most likely remain modest in May.

April witnessed extremely robust high-yield issuance, skyrocketing to \$44bn which was the largest amount since March 2017. Issuance during the month was driven primarily by rescue deals for general corporate purposes, and included prominent fallen angels such as Carnival Cruises, Kraft-Heinz, AMC Entertainment, and Cinemark. If the quarter had ended on March 23, the high-yield index would have had its worst quarter on record, down 20.56%; however, following a rebound in the last week of March and for a majority of April, the index closed the quarter down only 13.12%, which still is the worst since the fourth quarter of 2008 where the index plunged 17.63%.

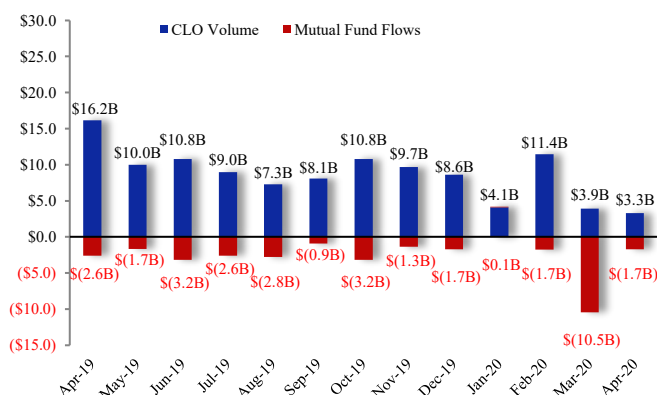
### CIO Commentary

For the month ending April 2020, Leveraged Lion Capital's loan portfolio returned 1.68% nominally, a relative underperformance of the LSTA 100 Index by 2.67%. Meanwhile, LLC's high-yield portfolio returned 5.52% nominally which outperformed the ICE BofA HY Index by 1.72%. April proved to be an interesting month, with a select few holdings that were gravely impacted by COVID-19. Our biggest movers included California Resources, which continued its dramatic plunge to 26 cents on the dollar (down 24.38% on the month), and Casa Systems which shot up 30.03% to 90.59.

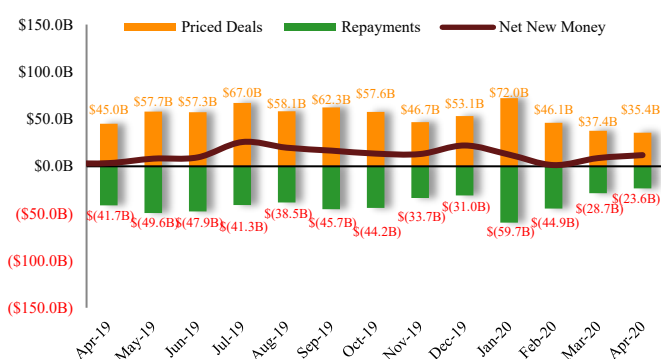
### Net New Money



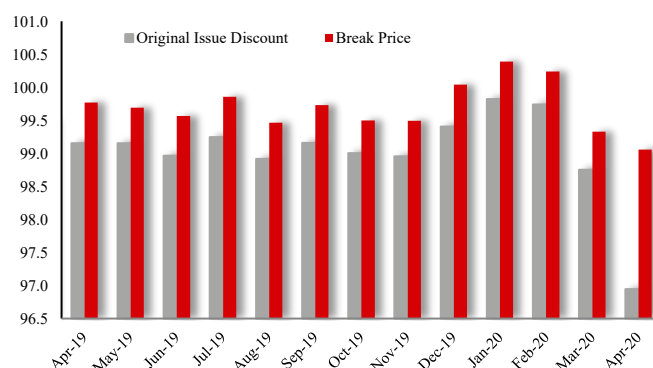
### CLO/Mutual Fund Flows



### Regular Way Deal Pricing



### Break vs. Issue Price





## New-Issue Market Trends

Despite loans hitting a bottom at the end of March and experiencing a mild recovery, April's average spreads nonetheless widened again, with single B spreads reaching L+948. Since pricing levels are wider, existing issuers in need of capital infusions are now experiencing constraint by their MFN protections. Furthermore, April experienced issuer-friendly flex activity – with five loans flexing lower and none moving higher. This is largely due to the wide pricing levels at launch as well as the lack of new-issue deals in market. Finally, deals on average broke 211 bps above their issue price as improved call protection became the norm.

## Credit/Documentation Trends

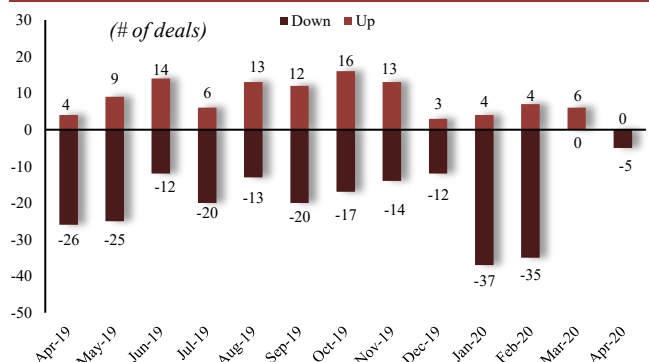
Not surprisingly, amid vast amounts of uncertainty, April saw covenant terms tighten to the most restrictive levels that we have seen in years; even despite a few deals clearing that were formulated prior to the COVID-19 bear market. T-Mobile USA's \$4bn merger loan, was the only transaction that cleared during the month with an MFN sunset. It will be interesting to watch how and when other M&A deals that were underwritten at pre-COVID-19 terms hit the market and influence documentation trends. For the foreseeable future, it is likely that investors will continue to be defensive, and that terms will remain in flux.

## Default Statistics

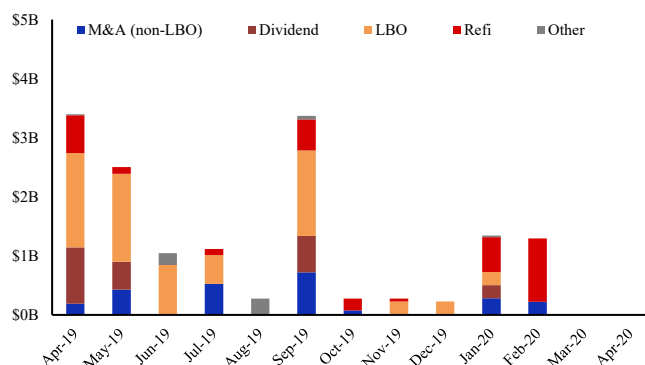
Corporate defaults continued to experience brash impacts from the COVID-19 pandemic. April saw twelve issuers default and the TTM default rate spike to 2.6%. The twelve issuers, headlined by Frontier Communications, totaled around \$6.98bn. Additionally, *Fitch's Top Loans of Concern* list added 16 new loans and jumped by \$14.6bn to \$69.4bn. Finally, the percentage of loans rated triple-C clocked in at 7.5% in April, up from roughly 6.5% in March.

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

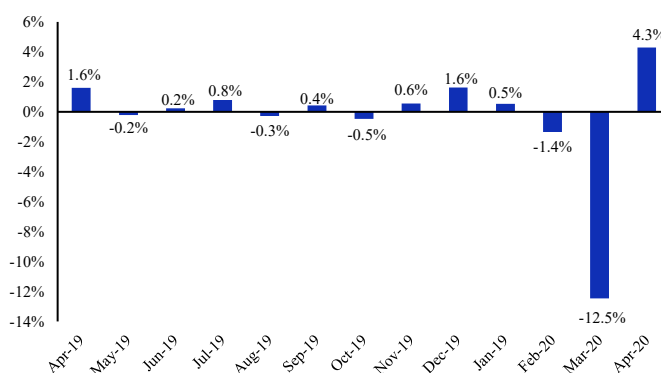
## Flex Activity



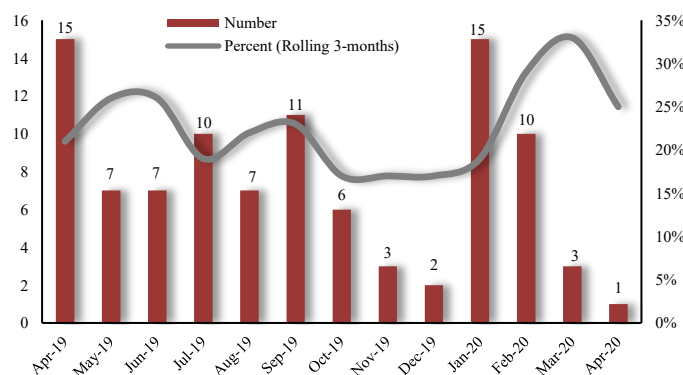
## New-Issue Middle-Market Loan Volume



## Monthly Returns



## Deals That Cleared with MFN Sunsets



# Leverage Statistics

## Covenant Statistics

Covenant Stats (L3M)				
	Sponsored Loans		Non-sponsored Loans	All Loans
	Issue backed by Large Sponsors	Issue backed by Other Sponsors		
<b>Key Metrics: Minimum Day-One Capacity (turns of PF Adj. EBITDA)</b>				
General Purpose Debt	1.75x	1.33x	0.93x	1.37x
Restricted Payments	0.48x	0.37x	0.47x	0.41x
Investments in Unrestricted Subs	1.18x	1.07x	0.89x	1.08x
<b>Accordion</b>				
Percentage with an Accordion Inside Maturity Carveout	60.0%	50.0%	42.9%	51.6%
<b>Asset Sale Sweep</b>				
Percentage with an Asset Sales Sweep Step Down	66.7%	38.1%	28.6%	43.8%
<b>ECF Sweep</b>				
Percentage with initial ECF Sweep at $\geq 75.0\%$	0.0%	16.7%	0.0%	10.9%
<b>Financial Maintenance Covenant Springing Tests</b>				
Percentage with Springing Covenants	80.0%	59.5%	28.6%	60.9%
Avg. Revolver Utilization Threshold for Covenant Springing Tests	35.0%	35.4%	1.0%	33.5%
Percentage with First Lien Leverage Test	66.7%	54.8%	0.0%	51.6%
Avg. First Lien Leverage Initial Test	7.16x	7.17x	N/A	7.17x
Avg. Headroom @ Close to First Lien Leverage Initial Test	3.14x	2.74x	N/A	2.88x
<b>EBITDA Adjustments – Synergies &amp; Cost Savings</b>				
Percentage of Loans That Allow Uncapped Adjustments	73.3%	50.0%	14.3%	51.6%
Avg. Cap if Capped Adjustments Based on EBITDA	25.0%	20.0%	18.8%	20.6%
Avg. Time Horizon for Actions Resulting in Addbacks (Months)	22.2	23.5	20.0	22.8

## Credit Statistics

Loan Covenant Trend Summary Table													
As of 04/30/2020	2017			2018				2019				2020	Increase / Decrease
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Credit Stats													
Percentage with Uncapped EBITDA Adjustments	30%	45%	40%	63%	43%	53%	42%	33%	38%	31%	34%	54%	↓
Accordion Free-and-Clear Tranche													
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%	↓
MFN													
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%	↓
Mandatory Prepayments													
Percentage with Asset Sale Sweep Step-downs	18%	35%	31%	49%	40%	45%	38%	31%	41%	38%	31%	52%	↓
Minimum Day-One Capped Basket Capacity													
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)	454.22	311.81	846.26	409.17
Avg. Tranche Size	1283.50	858.39	556.25	946.86
<b>Credit Stats (M&amp;A Deals Only)</b>				
Avg. EBITDA Adjustment (as % of Pro Forma Adjusted EBITDA)	22.6%	17.9%	26.8%	20.8%
Avg. Gross PF Adjusted Total Leverage	5.30x	5.08x	4.16%	4.98x
Avg. Gross PF Adjusted Total Leverage incl. Free-and-Clear Tranche Only	6.16x	5.95x	4.82x	5.81x
Avg. Gross PF Adjusted Total Leverage incl. General Purpose Debt Capacity	7.47x	7.29x	5.12x	6.96x
Percentage of Deals with Gross Adjusted Pro Forma Debt/EBITDA $\geq 6x$	20.0%	11.1%	N/A	11.8%
<b>Percentage of Deals Cov-Lite</b>				
All Loans	94.1%	81.4%	75.0%	83.8%

# Sector Summaries

## Consumer & Retail

Consumer & Retail loans returned 3.42% nominally this month and bonds returned 8.33% nominally. The Sector's best performing holding this month was GameStop's Senior Unsecured Bond, trading up 8.33% nominally. The Company instituted temporary pay cuts and announced plans to reopen stores domestically in South Carolina and Georgia, as well as internationally in Italy, Germany, and Austria. The Sector's worst performing holding this month was Chefs' Warehouse Term Loan B, returning 0.00% nominally. As announced in Chefs' 1Q2020 earnings call on Wednesday, May 6th, net sales increased 5.20% year-over-year to \$375.40 bn while the Company continues to supply its customers that remain open for takeout and delivery. Moving forward, the Sector will be monitoring consumer spending on a month by month basis as the U.S. retail industry shows early signs of recovery.

## Energy & Utilities

Energy loans returned (20.78%) nominally this month and bonds returned 15.83% nominally. The Sector's best performing holding this month was Summit Midstream's Senior Unsecured Bond, returning 15.83% nominally. This is due to the Company's five-well pad site generating aggregate production rates of more than 160.00 MMcf/d, which exceeds 15.00% more than in its guidance. This will drive growth as natural gas forward pricing has strengthened in the second half of 2020. The Sector's worst performing holding this month was California Resources' Term Loan B, returning (24.38%) nominally. The Company underperformed due to the termination of its exchange and subscription offers and consent solicitation. In April, oil prices fell into negative territory the day prior to the May Futures contract expiration, but have rallied back up to \$24.75 per barrel. The Sector will monitor how major oil-producing countries manage to change production levels to stabilize oil prices.

## Healthcare

Healthcare loans returned 0.00% nominally this month and bonds returned 3.51% nominally. The Sector's best performing holding this month was Teva Pharmaceutical's 2022 Senior Unsecured Bond, trading up 3.51% nominally. While the Company struggled in 2019 due to pending opioid litigation, it was still able to beat on expectations in 1Q2020, recording adjusted EPS of \$0.76. The Sector's worst performing holding this month was CryoLife's 2024 Term Loan B, returning 0.00% nominally. The company beat on revenue estimates by \$0.32 mm, but missed on EPS by \$0.01, causing the debt to trade flat. The sector will be following the adjusted FDA timeline for review of pending drug approvals in backlog.

## Industrials

Industrials loans returned (1.53%) nominally this month and bonds returned (5.71%) nominally. 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 Bonds, returning (5.71%) nominally. The Company underperformed after management commented on potential buyout rumors, with investors still anticipating 1Q2020 results. The Sector will be monitoring Industrial Production data released on Friday, May 15th.

# Sector Summaries

## Information Technology

Information Technology loans returned 11.60% nominally this month and bonds returned 26.85% nominally. The Sector's best performing holding this month was Casa Systems' Term Loan B, trading up 30.03% nominally. The Company beat 1Q2020 revenue estimates as cable, wireless, and fixed telecom customers saw heavy network traffic causing a sharp increase in demand for Casa's products. The Sector's worst performing holding this month was Lattice Semiconductor's Term Loan B, returning 0.00% nominally. The Company drew down on \$50.00 mm of its revolving credit facility while revenues fell (0.80%) year-over-year with profits only slightly beating consensus estimates. The Sector will continue monitoring the impact of job cuts as a record 112,000 tech jobs were erased in April, wiping out a year's worth of hiring gains.

## Materials

Materials loans returned 10.89% nominally this month and bonds returned 6.47% nominally. The Sector's best performing holding this month was Boise Cascade Term Loan B, trading up 10.89%, nominally. The Company announced strong financial results in 1Q2020, demonstrating the strength of its integrated business. The Sector's worst performing holding was Hexion's unsecured bond, returning 6.47% nominally. The market reacted positively to an announcement that the Company be launching a new epoxy system. The Sector will be monitoring the release of the ISM Manufacturing Semi-Annual Economic Forecast on Friday, May 15th.

## Media & Communications

Media & Communications loans returned (4.73%) nominally this month. The Sector's best performing holding this month was Sprint's Term Loan B, returning (0.16%) nominally. T-Mobile's merger with Sprint has been finalized, allowing the company to begin focusing on improving its 5G network. The Sector's worst performing holding this month was Beasley Broadcast's Term Loan B, trading down (7.74%) nominally. Beasley recently announced plans to partner with Dallas Fuel and TEGNA's Texas Stations in an effort to provide fresh sports competition. The Sector will continue to monitor the outcome of Dish Network's official purchase of approximately 9.30 mm prepaid customers under Sprint's Boost Brand.

## REGAL-FIG

REGAL-FIG loans returned 3.81% nominally this month and bonds returned (16.05%) nominally. The Sector's best performing holding this month was Virtu Financials Term Loan B, trading up 17.25% nominally. This performance was driven by higher trading volumes over the past two months that has driven top-line growth of 177.00% year-over-year. The Sector's worst performing holding this month was Realogy's Senior Unsecured Bonds, returning (16.05%) nominally. The company reported a net loss of around \$462.00 mm for 1Q2020 as the COVID-19 pandemic threatens to freeze the housing market. The sector will continue to monitor housing starts in the United States to see how COVID-19 continues to impact the housing market.



# Portfolio Analysis

# LLC

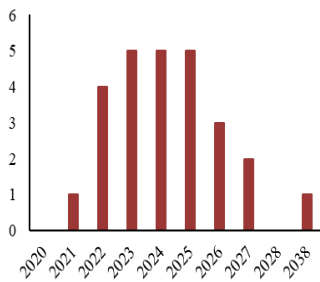
## CURRENT HOLDINGS (as of 5/01/2020)

Company Name	Sector	Maturity	LIBOR Spread	Size (\$mm)	Yield (End of Mo.)	Buy-In Date	Buy-In Amount	Opening Price	Closing Price	Price Apr. (%)	Facility Rating <sup>1</sup>
YUM Brands, Inc	Consumer	4/03/2025	L + 175	\$1,935.00	2.65%	10/10/17	\$5,084.40	\$91.33	\$95.84	4.94%	Ba3/BB
Winnegago	Consumer	11/08/2023	L + 350	\$257.25	5.96%	12/19/18	\$6,101.40	\$88.13	\$92.15	4.56%	B2/BB
Chefs' Warehouse	Consumer	6/22/2022	L + 400	\$236.93	4.21%	3/19/18	\$4,271.00	\$99.58	\$99.58	0.00%	B2/B+
GameStop	Consumer	3/15/2021	6.75%	\$421.36	36.05%	10/11/19	\$10,421.41	\$72.00	\$78.00	8.33%	Ba2/BB-
Par Pacific	Energy	1/11/2026	L + 675	\$240.63	12.19%	10/1/19	\$1,893.04	\$89.00	\$77.00	-13.48%	B1/BB-
California Resources	Energy	12/31/2022	L + 475	\$1,300.00	51.51%	2/1/19	\$3,842.23	\$34.50	\$26.09	-24.38%	B2/B
Summit Midstream	Energy	8/15/2022	5.50%	\$300.00	62.45%	2/26/20	\$4,068.65	\$20.72	\$24.00	15.83%	Ba3/B+
Cryolife	Healthcare	12/01/2024	L + 325	\$220.51	3.53%	2/19/18	\$4,044.00	\$98.83	\$98.83	0.00%	B2/B
Teva Pharmaceuticals	Healthcare	12/18/2022	2.95%	\$197.50	4.88%	2/10/20	\$4,864.53	\$92.00	\$95.23	3.51%	Ba2/BB
Tutor Perini	Industrials	5/01/2025	6.88%	\$500.00	12.52%	10/1/19	\$4,865.77	\$83.25	\$78.50	-5.71%	B2/B+
CVGI	Industrials	4/12/2023	L + 600	\$157.19	6.04%	3/5/18	\$2,473.00	\$99.88	\$99.88	0.00%	B2/B
Ducommun Incorporated	Industrials	11/21/2025	L + 400	\$225.80	6.14%	2/1/19	\$5,037.38	\$87.50	\$89.83	2.66%	B2/B+
Lattice Semiconductor	IT	5/17/2024	L + 175	\$166.25	3.20%	4/9/18	\$5,153.14	\$94.50	\$94.50	0.00%	B2/B
Dell	IT	4/15/2038	6.50%	\$387.82	6.26%	11/29/19	\$2,600.00	\$81.00	\$102.75	26.85%	Ba2/BB-
Casa Systems	IT	12/20/2023	L + 400	\$291.00	6.91%	11/29/19	\$4,000.00	\$69.67	\$90.59	30.03%	B3/B-
Maxar Technologies	IT	10/05/2024	L + 275	\$1,955.00	4.31%	11/29/19	\$1,750.00	\$81.30	\$93.70	15.25%	B2/B
Cerence	IT	10/01/2024	L + 600	\$270.00	6.98%	11/29/19	\$1,750.00	\$96.25	\$96.25	0.00%	Ba2/BB-
Hexion	Materials	7/01/2027	7.88%	\$450.00	9.66%	2/1/19	\$5,082.00	\$85.00	\$90.50	6.47%	Ba2/BB-
Boise Cascade	Materials	3/30/2026	L + 213	\$45.00	2.27%	2/1/19	\$5,082.00	\$89.50	\$99.25	10.89%	Ba2/BB-
Sprint	M&C	2/02/2024	L + 250	\$3,890.00	3.16%	11/29/17	\$5,289.75	\$97.83	\$97.67	-0.16%	Ba2/BB-
Beasley Broadcast	M&C	11/01/2023	L + 400	\$216.63	10.72%	2/10/20	\$8,000.00	\$86.92	\$80.19	-7.74%	NR/B
Virtu Financial	REGAL-FIG	3/01/2026	L + 350	\$1,954.57	3.49%	10/1/19	\$2,148.86	\$85.33	\$100.05	17.25%	Ba3/B+
Walker & Dunlop	REGAL-FIG	11/07/2025	L + 225	\$297.00	2.19%	1/1/19	\$1,453.94	\$100.33	\$100.33	0.00%	Ba2/BBB-
Lindblad Expeditions	REGAL-FIG	3/27/2025	L + 350	\$157.60	3.37%	11/8/17	\$3,000.00	\$100.58	\$100.58	0.00%	B1/BB
MGM Resorts	REGAL-FIG	12/21/2023	L + 225	\$270.00	5.58%	10/1/19	\$3,136.38	\$89.00	\$89.00	0.00%	Ba3/BB+
Realogy	REGAL-FIG	4/01/2027	9.38%	\$550.00	16.67%	10/9/19	\$3,113.90	\$81.00	\$68.00	-16.05%	B3/B

## CREDIT QUALITY<sup>2</sup> (as of 5/01/2020)

<b>Bank Loans</b>	<b>54.19%</b>
BB+	5.26%
BB	15.79%
BB-	10.53%
B+	21.05%
B	36.84%
<b>High Yield Corporates</b>	<b>25.49%</b>
BB-	42.86%
B+	14.29%
B	28.57%
B-	14.29%
CCC-	0.00%
<b>Cash &amp; Cash Equivalents</b>	<b>20.32%</b>

## MATURITY DISTRIBUTION



## NOTES

<sup>1</sup> Most recent available ratings. <sup>2</sup> Percentage of LLC portfolio

## Sector Performance

Sector Analysis	Loans	Bonds	Total
Consumer & Retail	3.42%	8.33%	5.40%
Energy	-20.78%	15.83%	-5.59%
Healthcare	0.00%	3.51%	1.68%
Industrials	1.79%	-5.71%	-0.53%
IT	11.60%	26.85%	14.20%
Materials	10.89%	6.47%	5.55%
Media & Communications	-4.73%	-	-3.12%
REGAL-FIG	3.81%	-16.05%	-1.00%
<b>Total</b>	<b>1.68%</b>	<b>5.52%</b>	<b>2.31%</b>

# Fall 2020 Organizational Overview

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

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