



PennState
Smeal College of Business

NITTANY LION FUND, LLC

MONTHLY REPORT

September 2017



Recruiting Schedule

On Wednesday, August 23, Wells Fargo visited Nittany Lion Fund in class to speak about the firm and internship opportunities for the 2018 summer. Penn State alumni in Investment Banking and Sales and Trading from Bank of America hosted an open house at the Nittany Lion Inn on Thursday, September 7. Additionally, Citigroup Sales and Trading will host the Markets Campus Recruiting event on September 13 in the business building. On Friday, September 15 Citigroup’s Financial Institutions Group will visit campus for an information session open to all interested Smeal students. NLF alumnus, Vlad Munteanu, will be attending NLF class to speak to Fund Managers about his experience at the firm and field questions for those looking to pursue a career in investment banking at Citi.

Nittany Lion Fund Recruiting Calendar	
Date	Class Visits
8/23	Wells Fargo - Investment Banking
9/8	Goldman Sachs - Investment Banking (FIG)
9/8	Bank of America Merrill Lynch - Sales & Trading
9/13	Citigroup - Sales & Trading
9/15	Citigroup - Investment Banking (FIG)

Summer Performance

May 2017–August 2017

For the months of May, June, and July 2017, the S&P 500 returned 4.09%, with performance driven by the Information Technology (IT), Financials, and Telecommunications sectors. During that same time period, the Nittany Lion Fund returned 3.28% nominally, a relative underperformance of 0.80%. The top relative performing sectors were Utilities, Healthcare, and Materials. Throughout May, performance was attributed to increased capital inflows to the IT Sector, driven by expectations for earnings and sales growth. Large-cap stocks in the IT Sector, such as Apple, Google, and Microsoft recorded strong earnings that benefited the overall sector. Throughout June, the Financials Sector drove capital market performance due to strong capital return allocations from Federal Reserve stress tests along with hawkish rhetoric expressed by central banks around the globe. All 34 banks passed the second phase of the stress tests, known as CCAR, and had their capital return plans approved, further exacerbating positive sentiment towards the Sector. Additionally, European Central Bank President Mario Draghi expressed conviction behind the Eurozone economy. This sentiment was further reflected by the head of the Bank of England, Mark Carney, potentially indicating reduced accommodative monetary policy in the future. Unemployment continues to improve while PMI data continues to show expansion. Inflation expectations have been revised down while the Euro has rallied, however, growth projections for the Eurozone have increased. The Jackson Hole summit did not provide further color on the European Central Bank’s future path, however, markets continued to support the Euro in trading. Expectations for another Federal Funds rate increase in 2017 have decreased significantly as United States inflation data has been coming in lower than expectations. During the month of July, the Telecommunications Sector traded up significantly after its two largest components, AT&T and Verizon, delivered greater than expected 2Q2017 earnings results. AT&T and Verizon were aided by wireless subscriber additions that topped estimates, offsetting declines in legacy wirelines.

INSIDE THIS ISSUE:

Page 2

- Recruiting Schedule
- Summer Performance

Page 3

- Summer NYC Reunion
- New Trading Room

Page 4

- Alumni News
- CIO Commentary

Page 5

- Stock Pick of the Month
– Alcoa, Inc. (AA)
- Sector of the Month
– REITs

Page 6

- New Fund Managers

Page 9

- Sector Summaries

Page 11

- Portfolio Analysis



NITTANY LION FUND, LLC | THE MONTHLY REPORT

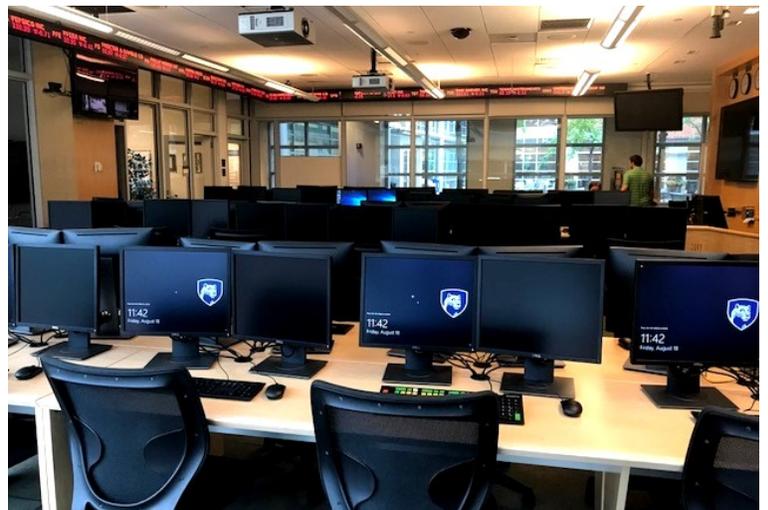
NYC Summer Reunion

During this past summer, Dr. Woolridge organized the annual Nittany Lion Fund Summer Event at Connolly's Pub and Restaurant in Manhattan, NY. The event brought together upwards of 60 Nittany Lion Fund alumni and current Fund Managers who were interning in New York. The Fund Managers enjoyed networking with the alumni who now hold various positions at firms across Wall Street. The event was a great opportunity for the interns to take a break from their busy schedules and to catch up with Dr. Woolridge, as well as expand their network with alumni. In addition, Fund Managers interning at different banks and divisions were able to share their experiences and learn more about the cultures and expectations at the various firms.



New Trading Room

After over a year of planning, the Research Instruction and Information Technology (RIIT) Group of the Smeal College of Business was able to transform the Rogers Family Trading Room at the end of the summer of 2017. Due to the amount of work done by members of the Nittany Lion Fund and Penn State Investment Association, the RIIT Group only had a short ten-day window to complete the renovations. The last time the room had been renovated was in the year 2005. The RIIT Group was able to completely transform the layout of the room, maintaining the same number of seats, while emulating the atmosphere of an actual Wall Street trading floor. Along with the new layout, three new smaller display screens were installed in the ceilings and brand new Windows software was added to each computer.



Alumni News

During the month of August, a number of members of the 2017 Nittany Lion Fund graduating class have started their full time positions at banks across Wall Street. This year, the Nittany Lion Fund was able to place 10 students in Investment Banking divisions and 5 students in Sales and Trading divisions at major banks. The departing President of the Nittany Lion Fund, Kevin Hernandez, began his position at J.P Morgan on the Technology, Media, and Telecom coverage desk. Kevin will be working alongside alumni such as Sam Diacont and Chris Walker while at J.P Morgan. Additionally, this year the Nittany Lion Fund was able to place three graduating students at Bank of America Merrill Lynch with Christina Soliday starting as an analyst on the Company's distressed debt desk, Chris Binder starting as an analyst with the M&A group, and Tim Farley starting as an analyst with the Leveraged Finance group. These students will join an expansive network of Penn State Alumni at Bank of America Merrill Lynch where the Nittany Lion Fund has placed students including Ginger Woolridge, Mike Carchedi, Jordan Pennella, Liam Walshe, among others. In total, the Nittany Lion Fund was able to place 3 students at Bank of America Merrill Lynch, 3 students at J.P Morgan, 2 students at Perella Weinberg Partners, 2 students at Goldman Sachs, and 1 student at Citigroup, UBS, Wells Fargo, Lincoln International, and Chatham Financial this year. In other news, several more senior NLF alumni have taken new positions in their careers. Taylor Beyer has taken a job as a private equity associate with the Carlyle Group, working specifically in the Aerospace, Defense, and Government Services Industries. Taylor served as the Vice President of the Nittany Lion Fund until 2013 when he graduated and began his career at Bank of America Merrill Lynch as an analyst in the Leveraged Finance group. Overall, 2017 was a great year for our alumni to begin their careers and we look forward to seeing all the things they will achieve.

2017 Senior Full-Time Placements

Name	Firm	Division
Kevin Hernandez	JP Morgan	Investment Banking
Ed Goodall	Goldman Sachs	Investment Banking
Tim Farley	BAML	Investment Banking
RJ Napolitano	Goldman Sachs	Sales & Trading
Kyle Nowelski	Perella Weinberg	Investment Banking
Nick Baker	Citigroup	Sales & Trading
Chris Binder	BAML	Investment Banking
Karl Stafford	Wells Fargo	Investment Banking
Chris Walker	JP Morgan	Sales & Trading
Frank Voza	Lincoln International	Investment Banking
Shane Kaminski	Perella Weinberg	Investment Banking
Sam Diacont	JP Morgan	Investment Banking
Christina Soliday	BAML	Sales & Trading
Anthony Scudieri	UBS	Investment Banking
Derek Sommers	Chatham Financial	Sales & Trading

CIO Commentary

August 2017



For the month of August 2017, the S&P 500 returned 0.31%, while the Nittany Lion Fund returned 0.77%. Performance was driven by the Information Technology (IT), Healthcare, and Utilities Sectors. Positive earnings behind FAANG stocks drove further capital into the IT Sector. Valuation combined with corporate M&A in biotechnology drove performance in the last half of the month for the Healthcare Sector. The Utilities Sector benefited throughout the month as the yield on the 10-Year note decreased from 2.30% to 2.13%. Throughout the month, geopolitical risks increased as a result from rising tensions between the United States and North Korea. Congress was in recess for much of the month, as both the House and Senate struggled to produce any positive traction in regards to the debt ceiling. The most recent report released by the Bureau of Labor Statistics (BLS) noted that ~156,000 jobs were added, missing consensus estimates. As a result the unemployment rate increased to 4.40%. Wage growth moved slightly higher to 2.50% y/y. A recent Federal Reserve report cited that wage growth may have been held back by older workers that demand higher salaries have been retiring from the labor force and being replaced by younger lower wage workers. New home sales decreased 9.40% m/m in July, and median home prices increase 6.00% y/y. The Federal Reserve also held its annual Jackson Hole economic symposium. Janet Yellen continued to endorse the financial regulations that have been enacted post 2008. The Chairwoman cited the financial stability that the regulation has brought on without impairing credit availability. European Central Bank President Mario Draghi also echoed comments regarding financial regulation. Mario Draghi also warned against the rise of protectionist policies and steering away from financial deregulation. Expectations of a Federal Funds rate increase for the rest of 2017 have significantly decreased. Both Janet Yellen and Mario Draghi avoided commenting on their plans for rate increases and accommodative policies moving forward. Commentary from the remainder of the 2017 Federal Reserve and European Central Bank's meetings will provide more clarity on the trajectory of monetary policy. As we begin to enter the month of September, Congress will have to discuss and negotiate a debt ceiling bill.



NITTANY LION FUND, LLC | THE MONTHLY REPORT

Stock Pick of the Month

August 2017



During the month of August, Alcoa, Inc. returned 20.55% nominally, a relative outperformance of 19.66%. Alcoa is heavily tied to aluminum prices, as the metal is comprised in more than 90.00% of the its finished products. Due to this, the Company benefitted significantly from an 11.00% increase in aluminum prices in the month of August. A number of factors led to this increase, including research from a number of banks such as J.P. Morgan and Citigroup indicating the increasing likelihood of Chinese supply cuts as well as President Trump's reaffirmed decision to impose import tariffs on Chinese aluminum and steel. On Monday, August 21, J.P. Morgan reiterated its "Overweight" rating on the Company, indicating a price target of \$56.00, representing a 40.81% potential upside from where shares currently trade. In its report, J.P. Morgan stated that the increasing likelihood of capacity restrictions on Chinese aluminum would ultimately drive up the price of aluminum another 5.00% in 4Q2017. The report pointed to the 30.00% capacity reduction of China's largest aluminum manufacturer, China Hongqiao as evidence. Bloomberg also released a report concluding that China will be forced to cut aluminum production to combat over pollution which should ultimately lead to a drastic reduction in global aluminum supply. Additionally, on Tuesday, August 29, President Trump rejected China's proposed offer to cut 150.00 MM tons of steel production by FY2022, instead directing his advisors to find ways to impose tariffs on both steel and aluminum imports. As a result, aluminum prices rose 1.24% in the day to \$2,095.75 per metric ton and solidified Trump's intention to impose tariffs. Finally, in the month, Alcoa's Portland smelter returned to full production. Federal and state government funding of \$230.00 MM allowed the facility to return to full production capacity, increasing Alcoa's total aluminum production capabilities by 10.00%.



Sector of the Month – REITs

August 2017



The Real Estate (REITs) Sector returned 4.15% nominally this month, a relative outperformance of 2.98%. The REITs Sector primarily outperformed due to its overweight position within the Tower REIT subsector with 0.39% of active exposure in American Tower Corporation. American Tower has continued to benefit from the increased investment of wireless carriers in 5G networks. In addition, the Company's increased investments abroad, particularly in Asia, are paying off. India currently presents itself as a lucrative geographical expansion opportunity as the country has a less advanced or developed wireless market. The country is set for future growth as it continues to experience increasing smartphone penetration and data traffic. In order to capture this demand, American Tower has been actively expanding its operations in India by working to acquire towers and grow its presence within the region. For example, on Saturday, August 12, the Company submitted a bid to acquire 20.00 k towers owned by Vodafone India and Idea Cellular, which serve as two major mobile providers in India. The REIT's portfolio also benefited from its overweight position in the Industrial REIT subsector with 0.43% of active exposure in Prologis. The U.S. logistics real estate operating environment is healthy. Customers remain active and the main drivers of demand—including consumption, e-commerce, and trade flows—continue to record solid growth. In addition, due to the growing demand for logistics space and the competition for scarce available space, market rent growth has been strong, and is expected to approach 8.00% in the U.S. in FY2017. Finally, the Sector has benefited from its overweight position in the Data Center REIT subsector with 0.52% of active exposure in Digital Realty Trust. Holding a company within the Data Center subsector has allowed for a steady hedge against the inverse correlation REITs have with interest rates, as REITs are required to distribute at least 90.00% of their pretax income as dividends to investors. With Data Center REIT's effective management of debt relative to other subsectors, the Sector has been able to outperform its benchmark thus far. Moving forward, the Sector plans on identifying undervalued subsectors and evaluating them as potential replacements for the remaining holdings within the portfolio; however, there are no immediate plans to restructure the portfolio due to consistent positive performance in the previous months.



DIGITAL REALTY



AMERICAN TOWER®



Introduction: New Fund Managers

Biographies



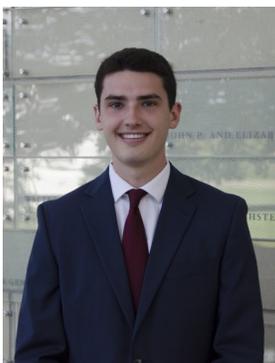
Matthew (Matt) Friday is a sophomore Finance major in the Smeal College of Business from Pittsburgh, PA. He currently serves as an Associate Analyst of Financials and the Co-Director of the Weekly Reports in the Nittany Lion Fund. During this past summer, Matt interned with the Nittany Lion Fund in Financials and Information Technology (IT). After spending two semesters in the Penn State Investment Association, he has developed an interest in investment banking. In his free time, Matt enjoys playing golf, volleyball, and the guitar. He says that the Nittany Lion Fund has been essential in building a foundation for academic and social discipline as well as in developing technical and presentational skills.



Frank Valvano is a junior finance major in the Smeal College of Business from Florham Park, NJ. He currently serves as an Associate Analyst of Consumer Discretionary and the Co-Director of the Weekly Reports in the Nittany Lion Fund. During this past summer, Frank interned with the Nittany Lion Fund in Consumer Staples and Industrials. After spending three semesters in the Penn State Investment Association, he has developed an interest in investment banking. In his free time, Frank enjoys going to the gym, watching movies, and snowboarding. He says that the Nittany Lion Fund has allowed him to develop a stronger sense of professional awareness and attention to detail.



Erika Pugh is a junior Finance and Russian major in the Smeal College of Business and the College of the Liberal Arts from State College, PA. She serves as an Associate Analyst of the Information Technology (IT) Sector and Director of the Monthly Reports in the Nittany Lion Fund. During this past summer, Erika interned with the Nittany Lion Fund in IT and Healthcare. After spending two semesters in the Penn State Investment Association, she has developed an interest in investment banking. In her free time, Erika enjoys teaching ballet, traveling, and going to yoga class with her friends. She says that the Nittany Lion Fund has helped her develop a strong set of analytical and time-management skills necessary to pursue a career in investment banking.



Blake Young is a sophomore Finance major in the Smeal College of Business from Pittsburgh, PA. He currently serves as an Associate Analyst of Consumer Discretionary in the Nittany Lion Fund. During this past summer, Blake interned with the Nittany Lion Fund in Consumer Discretionary and Telecommunications. After spending two semesters in the Penn State Investment Association, he has developed an interest in investment banking and sales and trading. In his free time, Blake enjoys playing baseball and basketball, watching Pittsburgh sports teams, and fishing. He says that the Nittany Lion Fund has taught him how to constantly challenge himself and to always strive for improvement.



Introduction: New Fund Managers

Biographies



Casper Yonel is a sophomore Finance and Economics major in the Smeal College of Business and the College of the Liberal Arts from Cleveland, OH. He currently serves as the Associate Analyst of Financials in the Nittany Lion Fund. During this past summer, Casper interned with the Nittany Lion Fund in Financials and Telecommunications. After spending one semester in the Penn State Investment Association, he has developed an interest in sales and trading. In his free time, Casper enjoys playing ice hockey, guitar, and working on wheel-throwing. He says that the Nittany Lion Fund has helped him develop strong set of team-based skills, as well as understand the importance of responsibility.



Matthew (Matt) Jacobs-Womer is a sophomore Finance major in the Smeal College of Business from Gettysburg, PA. He currently serves as the Associate Analyst of Industrials in the Nittany Lion Fund. During this past summer, Matt interned with the Nittany Lion Fund in Industrials and Materials. After spending one semester in the Penn State Investment Association, he has developed an interest in investment banking. In his free time, Matt enjoys weight lifting, cooking, spending time with family, and snowboarding. He says that the Nittany Lion Fund has taught him that motivation and hard work are essential to success, along with developing a sense of real-life accountability.



Matthew (Matt) Dever is a junior Finance Major in the Smeal College of Business from West Chester, PA. He currently serves as the Associate Analyst of Materials in the Nittany Lion Fund. During this past summer, Matt interned with the Nittany Lion Fund in Energy and Real Estate Investment Trusts. After spending four semesters in the Penn State Investment Association, he has developed an interest in sales and trading. In his free time Matt enjoys sports arbitrage, watching *Always Sunny*, and playing Minecraft. He says that the Nittany Lion Fund has provided him the analytical and verbal skills necessary to not only be successful as an investor, but throughout all his endeavors.



Hayley Lengenfelder is a junior Finance major in the Smeal College of Business from Johnstown, PA. She serves as the Associate Analyst of Real Estate Investment Trusts in the Nittany Lion Fund. During this past summer, Hayley interned with the Nittany Lion Fund in Materials and Real Estate Investment Trusts. After spending two semesters in the Penn State Investment Association, she has developed an interest in sales and trading. In her free time Hayley enjoys singing, writing, swimming, and playing piano. She says that the Nittany Lion Fund has taught her the value of combining passion, determination and diligence.



NITTANY LION FUND, LLC | THE MONTHLY REPORT

Introduction: New Fund Managers

Biographies



Emma Lee is a sophomore Finance and Economics major in the Smeal College of Business and the College of Liberal Arts from State College, PA. She currently serves as the Associate Analyst of Consumer Staples in the Nittany Lion Fund. During this past summer, Emma interned with the Nittany Lion Fund in Consumer Discretionary and Utilities. After spending two semesters in the Penn State Investment Association, she has developed an interest in sales and trading and investment banking. In her free time, Emma enjoys hiking, traveling, and

going to concerts. She says that the Nittany Lion Fund has helped her develop a strong set of analytical skills, as well as learn how to work effectively and efficiently in an intense work environment.



Daniel Taren is a junior Finance major in the Smeal College of Business from Kingston, PA. He currently serves as the Associate Analyst of Utilities in the Nittany Lion Fund. During this past summer, Daniel interned with the Nittany Lion Fund in Information Technology (IT) and Utilities. After spending two semesters in the Penn State Investment Association, he has developed an interest in sales and trading. In his free time, Daniel enjoys boxing, watching Philadelphia sports teams, and skiing. He says that the Nittany Lion Fund has

helped him enjoy the markets and develop himself as an investor.



Tyler Fischer is a sophomore Finance major in the Smeal College of Business from Holmdel, NJ. He currently serves as the Associate Analyst of Energy in the Nittany Lion Fund. During this past summer, Tyler interned with the Nittany Lion Fund in Consumer Discretionary and Healthcare. After spending two semesters in the Penn State Investment Association, he has developed an interest in investment banking and sales and trading. In his free time, Tyler enjoys running his non-profit foundation, playing baseball, traveling, and spending time with his friends and

family. He says that the Nittany Lion Fund has taught him that accountability and communication are as important as work ethic and determination.



Matthew Crawford is a sophomore Finance major in the Smeal College of Business from West Chester, PA. He currently serves as the Associate Analyst of Telecommunications in the Nittany Lion Fund. During this past summer, Matthew interned with the Nittany Lion Fund in Consumer Staples and Energy. After spending two semesters in the Penn State Investment Association, he has developed an interest in sales and trading. In his free time Matthew enjoys day trading, tennis, poker, and competition of any variety. He says that the Nittany Lion

Fund has shown him the importance of grit and humility to help push for excellence out of himself as a professional, as well as his general peers.



Eric Wacker is a sophomore Finance major in the Smeal College of Business from Yardley, PA. He currently serves as an Associate Analyst of Healthcare in the Nittany Lion Fund. During this past summer, Eric interned with the Nittany Lion Fund in Financials and Healthcare. After spending two semesters in the Penn State Investment Association, he has developed an interest in sales and trading. In his free time, Eric enjoys traveling, watching European soccer, and playing golf. He says that the Nittany Lion Fund has given him strong time management skills and

taught him the importance of developing an independent market outlook.





NITTANY LION FUND, LLC | THE MONTHLY REPORT

SECTOR SUMMARIES — Month Ended August 31



Consumer Discretionary returned (0.42%) nominally this month, a relative outperformance of 1.45%. The Sector's best performing holding this month was Carnival, trading up 4.04% nominally. Throughout the month of August, the Company traded up significantly due to the addition of new destinations and an increase in the number of cruises to island nations. The Sector's worst performing holding this month was Disney, returning (7.94%) nominally. Following earnings, the Company traded down due to concerns surrounding its decision to terminate its partnership with Netflix to create its own streaming service.

Consumer Staples returned (1.15%) nominally this month, a relative underperformance of (0.09%). The Sector's best performing holding this month was Constellation Brands, trading up 3.49% nominally. Constellation Brands outperformed this month due to its acquisition of craft brewer Funky Buddha Brewery and Philadelphia's tax on sugary drinks, making soda more expensive than beer in the city and leading to higher sales. The Sector's worst performing holding this month was Kroger, returning (10.81%) nominally. Kroger underperformed this month after Amazon announced the completion of its Whole Foods acquisition and lowered prices for staple items across Whole Foods stores.

Energy returned (3.72%) nominally this month, a relative outperformance of 1.55%. The Sector's best performing holding this month was Valero, trading down (1.26%) nominally. President Trump expressed possible sanctions against Venezuelan crude oil imports, resulting in a trade-down due to the Company's strong reliance within this area for crude. The Sector's worst performing holding this month was Newfield, returning (9.05%) nominally. During the month of August, the price of West Texas Intermediate (WTI) crude oil decreased 4.09% causing the Company to significantly underperform due to its sensitivity to oil prices.

Financials returned (1.28%) nominally this month, a relative outperformance of 0.33%. The Sector's best performing holding this month was S&P Global, trading up 0.48% nominally. S&P Global benefited from a decline of 14.00 bps in the U.S. Ten Year Treasury during August, leading to potentially higher future debt issuance. The Sector's worst performing holding this month was Brighthouse Financial, returning (13.53%) nominally. Following its spin-off in August, shares have been impacted by the industry's preparation for the implementation of the DOL Fiduciary Rule, causing annuity sales to decline since 65.00% of the Company's annuity revenues are generated from variable annuities.

Healthcare returned 1.67% nominally this month, a relative underperformance of (0.17%). The Sector's best performing holding this month was Thermo Fisher Scientific, trading up 6.61% nominally. Thermo Fisher outperformed this month due to the Company's completed acquisition of Patheon, which will expand the reach of the Company's biopharmaceutical services. The Sector's worst performing holding this month was Allergan, returning (9.06%) nominally. Allergan traded down after settling a Restasis patent lawsuit that will allow generic competition earlier than expected and Shire launched Xiidra, a direct competitor to Restasis, in the European Union.

Industrials returned 1.33% nominally this month, a relative outperformance of 1.18%. The Sector's best performing holding this month was Orbital ATK, trading up 9.20% nominally. Orbital experienced strong performance during the month due to the development of North Korea's missile program that is fueling sentiment for increased missile defense spending globally. The Sector's worst performing holding this month was Delta Air Lines, returning (4.40%) nominally. Delta traded down during the month primarily due to negative sentiment from competitors' poor earnings and increasing fare pressures from budget airlines such as JetBlue.

SECTOR SUMMARIES — Month Ended August 31



Information Technology returned 3.97% nominally this month, a relative outperformance of 0.48%. The Sector's best performing holding this month was Apple, trading up 10.27% nominally. Shares of Apple traded up due to increasing optimism surrounding the iPhone 8 and its alleged new features, including the removal of the home button and new OLED screens. The Sector's worst performing holding this month was Booz Allen Hamilton Holding Corp., returning (0.55%) nominally. Booz Allen Hamilton traded down due to the ongoing negative sentiment generated from the Department of Justice (DOJ) investigation on its accounting practices, which was announced on Thursday, June 15.

Materials returned 3.42% nominally this month, a relative outperformance of 2.51%. The Sector's best performing holding this month was Alcoa, trading up 20.55% nominally. Alcoa benefits from high aluminum prices and the increasing likelihood of Chinese supply cuts and President Trump's import tariffs have caused aluminum prices to trade up 11.00% m/m in August. The Sector's worst performing holding this month was Ball, returning (0.34%) nominally. Inversely to Alcoa, Ball benefits from lower aluminum prices as it is one of the Company's primary input costs.

REITs returned 4.15% nominally this month, a relative outperformance of 2.98%. The Sector's best performing holding this month was American Tower, trading up 8.60% nominally. American Tower's performance resulted from continued 5G network developments, as well as the Company's tower expansion efforts in emerging markets, such as India. The Sector's worst performing holding this month was Boston Properties, returning (0.26%) nominally. Boston Properties underperformed in August due to continued concerns surrounding oversupply of office space in the Company's key central business district markets, as well as a lack of concrete policy proposals from the Trump administration that investors had hoped would benefit the Office REIT subsector.

Telecommunications returned (2.78%) nominally this month, a relative outperformance of 0.25%. The Sector's best performing holding this month was Verizon, trading down (0.89%) nominally. Verizon traded down due to sub par plan offerings, including the worst video streaming options out of its competitors. The Sector's worst performing holding this month was AT&T, returning (3.95%) nominally. AT&T traded down due to continued concerns that the Time Warner acquisition may not be approved.

Utilities returned 3.55% nominally this month, a relative outperformance of 0.29%. The Sector's best performing holding this month was WEC Energy Group, trading up 3.57% nominally. The Company traded up due to efforts by Donald Trump to encourage more coal mining on lands owned by the Federal Government, as part of an initiative to revitalize the struggling coal industry and exploit commercial opportunities on public lands. The Sector's worst performing holding this month was Dominion Energy, trading up 2.06% nominally. The Company was impacted negatively by Hurricane Harvey, creating power outages for over 13.00 k customers and increasing costs for its Houston operations.

NITTANY LION FUND, LLC | THE MONTHLY REPORT

NITTANY LION FUND | PORTFOLIO ANALYSIS

PORTFOLIO OVERVIEW

NLF Portfolio

Year Beginning Portfolio Value	\$6,838,691.37
Month Beginning Portfolio Value	\$7,713,261.02
Month Close Portfolio Value	\$7,799,797.45
Cash Balance	\$191,188.27

PERFORMANCE

Performance	Monthly	YTD	Inception
Nittany Lion Fund	0.77%	6.50%	6.21%
S&P 500 Index	0.31%	7.16%	7.87%
NLF vs. S&P 500	0.47%	(0.61%)	(1.54%)

KEY STATISTICS

Key Statistics	NLF
Portfolio Beta	0.94
Sharpe Ratio	0.98
Volatility (26 week)	9.23%
Weighted Ave. Market Value	\$181.08 bn
P/E (NTM)*	19.90x
YTD Turnover Ratio	33.59%
Annualized Dividend Yield	1.75%

SECTOR ANALYSIS

Sector Analysis	Monthly	S&P	Relative
Consumer Discretionary	(0.42%)	(1.84%)	1.45%
Consumer Staples	(1.15%)	(1.06%)	(0.09%)
Energy	(3.72%)	(5.18%)	1.55%
Financials	(1.28%)	(1.61%)	0.33%
Healthcare	1.67%	1.85%	(0.17%)
Industrials	1.33%	0.15%	1.18%
Information Technology	3.97%	3.47%	0.48%
Materials	3.42%	0.89%	2.51%
Real Estate	4.15%	1.14%	2.98%
Telecommunications	(2.78%)	(3.02%)	0.25%
Utilities	3.55%	3.25%	0.29%

CURRENT HOLDINGS

NLF Holdings	Ticker	Purchase Date	Purchase Price	Price as of 7/31/17 or Purchase	Price as of 8/31/17	Monthly Return
Amazon.com Inc	AMZN	2/19/2016	\$531.92	\$987.78	\$980.60	-0.73%
Carnival Corp	CCL	5/16/2016	\$50.02	\$66.78	\$69.48	4.04%
Comcast Corporation	CMCSA	6/15/2015	\$28.83	\$40.45	\$40.61	0.40%
General Motors Company	GM	8/15/2017	\$35.50	\$35.50	\$36.54	2.94%
Hilton Worldwide Holdings	HLT	4/25/2017	\$58.55	\$62.53	\$64.33	2.88%
Mohawk Industries Inc	MHK	5/2/2016	\$195.74	\$248.99	\$253.12	1.66%
Starbucks Corp	SBUX	5/20/2016	\$54.95	\$53.98	\$54.86	1.63%
TJX Companies Inc	TJX	12/13/2016	\$78.32	\$70.31	\$72.30	2.83%
The Walt Disney Company	DIS	4/13/2012	\$41.85	\$109.93	\$101.20	-7.94%
Constellation Brands Inc	STZ	11/2/2016	\$163.82	\$193.35	\$200.10	3.49%
CVS Health Corp	CVS	2/10/2017	\$78.37	\$79.93	\$77.34	-3.24%
Dr Pepper Snapple Group Inc	DPS	7/28/2016	\$97.95	\$91.16	\$91.05	-0.12%
The Kroger Company	KR	11/14/2016	\$34.78	\$24.52	\$21.87	-10.81%
The Procter & Gamble Company	PG	2/28/2014	\$78.59	\$90.82	\$92.27	1.60%
Tyson Foods Inc	TSN	3/15/2017	\$63.18	\$63.36	\$63.30	-0.09%
Wal-Mart Stores Inc.	WMT	12/7/2015	\$60.44	\$79.99	\$78.07	-2.40%
Chevron Corp	CVX	3/31/2016	\$95.57	\$109.19	\$107.62	-1.44%
ConocoPhillips	COP	7/20/2017	\$43.59	\$45.37	\$43.66	-3.77%
Exxon Mobil Corporation	XOM	9/13/2011	\$71.55	\$80.04	\$76.33	-4.64%
Halliburton Company	HAL	2/22/2017	\$53.25	\$42.44	\$38.97	-8.18%
Kinder Morgan Inc	KMI	11/2/2016	\$19.70	\$20.43	\$19.33	-5.38%
Newfield Exploration Co	NFX	5/22/2017	\$33.94	\$28.73	\$26.13	-9.05%
Valero Energy Corporation	VLO	9/15/2016	\$56.70	\$68.97	\$68.10	-1.26%
The Allstate Corporation	ALL	3/11/2013	\$49.11	\$91.00	\$90.50	-0.55%
American International Group	AIG	3/26/2015	\$54.27	\$65.45	\$60.48	-7.59%
Brighthouse Financial Inc	BHF	7/17/2017	\$62.77	\$66.00	\$57.07	-13.53%
Citigroup Inc	C	5/22/2017	\$61.10	\$68.45	\$68.03	-0.61%
The Goldman Sachs Group	GS	5/30/2012	\$94.88	\$225.33	\$223.74	-0.71%
JPMorgan Chase & Company	JPM	2/18/2014	\$58.55	\$91.80	\$90.89	-0.99%
MetLife Inc	MET	2/7/2017	\$52.10	\$49.01	\$46.83	-4.45%
S&P Global Inc	SPGI	4/14/2016	\$100.29	\$153.59	\$154.33	0.48%
Wells Fargo & Company	WFC	7/9/2010	\$29.41	\$53.94	\$51.07	-5.32%
Abbott Laboratories	ABT	4/15/2016	\$43.25	\$49.18	\$50.94	3.58%
Allergan Plc	AGN	6/16/2016	\$236.74	\$252.33	\$229.48	-9.06%
Amgen Inc	AMGN	2/23/2016	\$147.98	\$174.51	\$177.77	1.87%
Celgene Corp	CELG	11/14/2016	\$120.41	\$135.41	\$138.93	2.60%
Pfizer Inc	PFE	8/13/2015	\$35.41	\$33.16	\$33.92	2.29%
Thermo Fisher Scientific Inc	TMO	4/2/2015	\$133.15	\$175.53	\$187.14	6.61%
UnitedHealth Group Inc	UNH	1/31/2017	\$160.74	\$191.81	\$198.90	3.70%
Zoetis Inc	ZTS	9/19/2016	\$50.54	\$62.52	\$62.70	0.29%
Delta Airlines Inc	DAL	1/24/2017	\$49.37	\$49.36	\$47.19	-4.40%
FedEx Corp	FDX	4/28/2014	\$134.93	\$208.03	\$214.38	3.05%
General Electric Co	GE	12/14/2011	\$16.68	\$25.61	\$24.55	-4.14%
Honeywell International Inc	HON	8/8/2017	\$139.18	\$139.18	\$138.27	-0.65%
Northrop Grumman Corp	NOC	1/26/2015	\$155.30	\$263.13	\$272.21	3.45%
Orbital ATK Inc	OA	7/15/2016	\$85.62	\$102.18	\$111.58	9.20%
Parker-Hannifin Corp	PH	7/10/2017	\$161.56	\$165.98	\$160.89	-3.07%
Waste Management Inc	WM	7/10/2017	\$74.28	\$75.15	\$77.11	2.61%
Adobe Systems Inc	ADBE	1/24/2017	\$112.57	\$146.49	\$155.16	5.92%
Alphabet Inc	GOOGL	2/12/2007	\$260.91	\$945.50	\$955.24	1.03%
Apple Inc	AAPL	9/8/2011	\$60.94	\$148.73	\$164.00	10.27%
Booz Allen Hamilton Holding Corp	BAH	5/1/2017	\$35.76	\$34.30	\$34.11	-0.55%
Facebook Inc	FB	10/28/2014	\$80.10	\$169.25	\$171.97	1.61%
Lam Research Corp	LRCX	12/7/2016	\$105.36	\$159.46	\$165.98	4.09%
Microsoft Corp	MSFT	3/2/2015	\$43.74	\$72.70	\$74.77	2.85%
Salesforce.com Inc	CRM	10/10/2016	\$75.48	\$90.80	\$95.49	5.17%
Texas Instruments Inc	TXN	3/30/2015	\$57.87	\$81.38	\$82.82	1.77%
Visa Inc	V	3/2/2017	\$88.26	\$99.56	\$103.52	3.98%
Albemarle Corp	ALB	4/5/2017	\$106.33	\$115.80	\$116.26	0.40%
Alcoa Corp	AA	7/11/2017	\$34.87	\$36.40	\$43.88	20.55%
Ball Corporation	BLL	8/10/2017	\$40.13	\$40.13	\$39.99	-0.34%
E I Du Pont De Nemours & Co	DD	6/21/2017	\$83.11	\$82.21	\$83.93	2.09%
Ecolab Inc	ECL	2/28/2017	\$124.70	\$131.67	\$133.30	1.24%
Monsanto Company	MON	10/10/2016	\$103.23	\$116.82	\$117.20	0.33%
American Tower Corporation	AMT	3/2/2017	\$113.83	\$136.33	\$148.05	8.60%
Boston Properties Inc	BXP	1/24/2017	\$131.89	\$120.91	\$120.60	-0.26%
Digital Realty Trust	DLR	10/10/2016	\$92.30	\$115.34	\$118.34	2.60%
Prologis Inc	PLD	1/2/2014	\$36.80	\$60.81	\$63.36	4.19%
AT&T Inc	T	9/20/2011	\$29.14	\$39.00	\$37.46	-3.95%
Verizon Communications Inc	VZ	5/1/2009	\$30.29	\$48.40	\$47.97	-0.89%
Dominion Energy Inc	D	7/17/2017	\$76.54	\$77.18	\$78.77	2.06%
Nextera Energy Inc	NEE	4/27/2012	\$64.34	\$146.09	\$150.51	3.03%
PPL CORPORATION	PPL	11/25/2016	\$33.22	\$38.33	\$39.24	2.37%
WEC Energy Group Inc	WEC	5/21/2009	\$18.53	\$62.97	\$65.22	3.57%