

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 814-00736

PENNANTPARK INVESTMENT CORPORATION

(Exact name of registrant as specified in its charter)

MARYLAND

(State or other jurisdiction of incorporation or organization)

20-8250744

(I.R.S. Employer Identification No.)

**1691 Michigan Avenue,
Miami Beach, Florida**

(Address of principal executive offices)

33139

(Zip Code)

(786) 297-9500

(Registrant's Telephone Number, Including Area Code)

None

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share	PNNT	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of February 8, 2023 was 65,224,500.

PENNANTPARK INVESTMENT CORPORATION
FORM 10-Q FOR THE QUARTER ENDED DECEMBER 31, 2022
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PART I—CONSOLIDATED FINANCIAL INFORMATION

We are filing this Quarterly Report on Form 10-Q, or the Report, in compliance with Rule 13a-13 as promulgated by the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In this Report, except where context suggest otherwise, the terms “Company,” “we,” “our” or “us” refers to PennantPark Investment Corporation and its consolidated subsidiaries; “PennantPark Investment” refers to only PennantPark Investment Corporation; “our SBIC Fund” refers collectively to our consolidated subsidiaries, PennantPark SBIC II LP, or SBIC II, and its general partner, PennantPark SBIC GP II, LLC; “Funding I” refers to PennantPark Investment Funding I, LLC, a wholly-owned subsidiary prior to deconsolidation on July 31, 2020; “Taxable Subsidiary” refers to PNNT Investment Holdings, LLC; “PSLF” refers to PennantPark Senior Loan Fund, LLC, an unconsolidated joint venture; “PTSF II” refers to PennantPark-TSO Senior Loan Fund II, LP, an unconsolidated limited partnership; “PennantPark Investment Advisers” or “Investment Adviser” refers to PennantPark Investment Advisers, LLC; “PennantPark Investment Administration” or “Administrator” refers to PennantPark Investment Administration, LLC; “SBA” refers to the Small Business Administration; “SBIC” refers to a small business investment company under the Small Business Investment Act of 1958, as amended, or the “1958 Act”; “BNP Credit Facility” refers to our revolving credit facility with BNP Paribas prior to deconsolidation of Funding I; “Truist Credit Facility” refers to our multi-currency, senior secured revolving credit facility with Truist Bank (formerly SunTrust Bank), as amended and restated; “2024 Notes” refers to our 5.50% Notes due 2024; “2026 Notes” refers to our 4.50% Notes due May 2026; “2026 Notes-2” refers to our 4.00% Notes due November 2026; “BDC” refers to a business development company under the Investment Company Act of 1940, as amended, or the “1940 Act”; “SBCAA” refers to the Small Business Credit Availability Act; “Code” refers to the Internal Revenue Code of 1986, as amended; and “RIC” refers to a regulated investment company under the Code. References to our portfolio, our investments and our business include investments we make through SBIC II and other consolidated subsidiaries.

Item 1. Consolidated Financial Statements

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(In thousands, except share and per share data)

	December 31, 2022 (unaudited)	September 30, 2022
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (cost—\$929,937 and \$882,513 respectively)	\$ 928,888	\$ 932,155
Non-controlled, affiliated investments (cost—\$38,431 and \$37,612, respectively)	35,579	34,760
Controlled, affiliated investments (cost—395,134 and \$381,904, respectively)	231,568	259,386
Total investments (cost—\$1,363,502 and \$1,302,029, respectively)	1,196,035	1,226,301
Cash and cash equivalents (cost—\$28,558 and \$52,844, respectively)	28,556	52,666
Interest receivable	4,124	3,593
Receivable for investments sold	—	29,494
Distribution receivable	3,256	2,420
Prepaid expenses and other assets	4,036	4,036
Total assets	1,236,007	1,318,510
Liabilities		
Distributions payable	10,762	9,784
Payable for investments purchased	8,325	—
Truist Credit Facility payable, at fair value (cost—\$380,920 and \$385,920, respectively) (See Notes 5 and 10)	367,308	376,687
2026 Notes payable, net (par— \$150,000) (See Notes 5 and 10)	146,993	146,767
2026 Notes-2 payable, net (par— \$165,000) (See Notes 5 and 10)	161,586	161,373
SBA debentures payable, net (par—\$20,000) (See Notes 5 and 10)	19,701	19,686
Base-management fee payable, net (See Note 3)	4,602	4,849
Incentive fee payable (See Note 3)	2,192	—
Interest payable on debt	3,291	6,264
Accrued other expenses	2,155	6,639
Current tax liability	6,183	896
Total liabilities	733,098	732,945
Commitments and contingencies (See Note 11)		
Net assets		
Common stock, 65,224,500 shares issued and outstanding		
Par value \$0.001 per share and 100,000,000 shares authorized	65	65
Paid-in capital in excess of par value	748,169	748,169
Accumulated deficit	(245,325)	(162,669)
Total net assets	\$ 502,909	\$ 585,565
Total liabilities and net assets	\$ 1,236,007	\$ 1,318,510
Net asset value per share	\$ 7.71	\$ 8.98

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31,	
	2022	2021
Investment income:		
From non-controlled, non-affiliated investments:		
Interest	\$ 22,231	\$ 15,540
Payment-in-kind	—	2,410
Other income	487	4,191
From controlled, affiliated investments:		
Interest	2,858	2,267
Payment-in-kind	1,131	2,126
Dividend income	3,256	1,815
Total investment income	29,963	28,349
Expenses:		
Base management fee (See Note 3)	4,602	5,109
Performance-based incentive fee (See Note 3)	2,192	2,657
Interest and expenses on debt (See Note 10)	9,729	6,886
Administrative services expenses (See Note 3)	266	250
Other general and administrative expenses	841	723
Expenses before provision for taxes	17,630	15,625
Provision for taxes on net investment income	2,000	200
Net expenses	19,630	15,825
Net investment income	10,333	12,524
Realized and unrealized gain (loss) on investments and debt:		
Net realized gain (loss) on investments and debt:		
Non-controlled, non-affiliated investments	4,064	5,201
Non-controlled and controlled, affiliated investments	—	(31,274)
Debt extinguishment	—	(1,669)
Net realized gain (loss) on investments and debt	4,064	(27,742)
Net change in unrealized appreciation (depreciation) on:		
Non-controlled, non-affiliated investments	(50,517)	(49,603)
Non-controlled and controlled, affiliated investments	(41,048)	96,372
Provision for taxes on unrealized appreciation (depreciation) on investments	896	(5,045)
Debt appreciation (depreciation) (See Notes 5 and 10)	4,378	(996)
Net change in unrealized appreciation (depreciation) on investments and debt	(86,291)	40,728
Net realized and unrealized gain (loss) from investments and debt	(82,227)	12,986
Net increase (decrease) in net assets resulting from operations	(71,894)	25,510
Net increase (decrease) in net assets resulting from operations per common share (See Note 7)	\$ (1.10)	\$ 0.38
Net investment income per common share	\$ 0.16	\$ 0.19

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (Unaudited)
(In thousands)

	Three Months Ended December 31,	
	2022	2021
Net increase (decrease) in net assets resulting from operations:		
Net investment income	\$ 10,333	\$ 12,524
Net realized gain (loss) on investments and debt	4,064	(27,742)
Net change in unrealized appreciation (depreciation) on investments	(91,565)	46,769
Net change in provision for taxes on unrealized appreciation (depreciation) on investments	896	(5,045)
Net change in unrealized (appreciation) depreciation on debt	4,378	(996)
Net increase (decrease) in net assets resulting from operations	(71,894)	25,510
Distributions to stockholders:	(10,762)	(8,045)
Net increase (decrease) in net assets	(82,656)	17,465
Net assets:		
Beginning of period	585,565	660,144
End of period	\$ 502,909	\$ 677,609

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Three months ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net increase (decrease) in net assets resulting from operations	\$ (71,894)	\$ 25,510
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used in) operating activities:		
Net change in net unrealized (appreciation) depreciation on investments	91,565	(46,769)
Net change in unrealized appreciation (depreciation) on debt	(4,378)	996
Net realized (gain) loss on investments	(4,064)	26,073
Net accretion of discount and amortization of premium	(822)	(2,065)
Purchases of investments	(86,182)	(295,136)
Payment-in-kind income	(1,131)	(4,451)
Proceeds from dispositions of investments	30,620	132,246
Amortization of deferred financing costs	454	565
(Increase) or Decrease in:		
Interest receivable	(531)	(449)
Receivables from investments sold	29,494	(12,821)
Distribution receivable	(836)	(121)
Increase or (Decrease) in:		
Payable for investments purchased	8,325	(7,812)
Interest payable on debt	(2,973)	(931)
Base management fee payable, net	(247)	529
Performance-based incentive fee payable, net	2,192	2,082
Deferred tax liability	5,287	5,045
Accrued other expenses	(4,485)	159
Net cash provided by (used in) operating activities	<u>(9,606)</u>	<u>(177,350)</u>
Cash flows from financing activities:		
Distributions paid to stockholders	(9,784)	(8,045)
Net repayments of the 2024 Notes issuance	—	(84,581)
Proceeds from 2026 Notes-2 issuance	—	160,519
Borrowings under Truist Credit Facility	44,000	416,897
Repayments under Truist Credit Facility	(49,000)	(288,218)
Net cash provided by (used in) financing activities	<u>(14,784)</u>	<u>196,572</u>
Net increase (decrease) in cash equivalents	(24,390)	19,222
Effect of exchange rate changes on cash	280	2
Cash and cash equivalents, beginning of period	52,666	20,357
Cash and cash equivalents, end of period	\$ 28,556	\$ 39,581
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 12,248</u>	<u>\$ 7,252</u>
Taxes paid	<u>\$ 299</u>	<u>\$ 695</u>
Non-cash exchanges and conversions	<u>\$ —</u>	<u>\$ (31,274)</u>

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS (Unaudited)
DECEMBER 31, 2022
(In thousands, except share data)

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—184.7% of Net Assets ^{(1),(2)}							
First Lien Secured Debt—122.1% of Net Assets							
A1 Garage Merger Sub, LLC	12/22/2028	Personal, Food and Miscellaneous Services	11.12 %	3M L+650	11,215	\$ 10,998	\$ 10,997
A1 Garage Merger Sub, LLC - Unfunded Term Loan	12/21/2024	Personal, Food and Miscellaneous Services	—	—	5,747	-	-
A1 Garage Merger Sub, LLC (Revolver) ⁽⁷⁾	12/22/2028	Personal, Food and Miscellaneous Services	—	—	2,532	-	-
Ad.net Acquisition, LLC (Revolver)	05/06/2026	Media	10.84 %	3M L+600	356	356	353
Ad.net Acquisition, LLC (Revolver) ⁽⁷⁾	05/06/2026	Media	—	—	89	-	(1)
Altamira Technologies, LLC (Revolver)	07/24/2025	Aerospace and Defense	10.73 %	3M L+600	50	50	49
Altamira Technologies, LLC (Revolver) ⁽⁷⁾	07/24/2025	Aerospace and Defense	—	—	138	—	(2)
American Insulated Glass, LLC	12/21/2023	Building Materials	9.25 %	3M L+550	3,319	3,304	3,319
Anteriad, LLC (f/k/a MeritDirect, LLC) (Revolver) ⁽⁷⁾	05/23/2024	Media	—	—	1,612	—	—
Any Hour Services	07/21/2027	Personal, Food and Miscellaneous Services	10.17 %	3M L+525	4,120	4,092	4,007
Any Hour Services (Revolver)	07/21/2027	Personal, Food and Miscellaneous Services	10.17 %	3M L+585	229	229	223
Any Hour Services (Revolver) ⁽⁷⁾	07/21/2027	Personal, Food and Miscellaneous Services	—	—	918	—	(25)
Apex Service Partners, LLC	07/31/2025	Personal, Food and Miscellaneous Services	7.60 %	1M L+550	1,331	1,331	1,324
Apex Service Partners, LLC Term Loan C	07/31/2025	Personal, Food and Miscellaneous Services	9.08 %	1M L+550	1,893	1,875	1,883
Apex Service Partners, LLC (Revolver)	07/31/2025	Personal, Food and Miscellaneous Services	9.67 %	3M L+525	645	645	641
Apex Service Partners, LLC (Revolver) ⁽⁷⁾	07/31/2025	Personal, Food and Miscellaneous Services	—	—	287	—	(1)
Applied Technical Services, LLC	12/29/2026	Environmental Services	9.69 %	3M L+575	1,534	1,519	1,495
Applied Technical Services, LLC ⁽⁷⁾	04/21/2023	Environmental Services	—	—	1,457	—	(20)
Applied Technical Services, LLC (Revolver)	12/29/2026	Environmental Services	12.25 %	3M P+475	400	400	390
Applied Technical Services, LLC (Revolver) ⁽⁷⁾	12/29/2026	Environmental Services	—	—	600	—	(15)
Arefield Acquisition Corp. (Revolver) ⁽⁷⁾	03/07/2028	Aerospace and Defense	—	—	2,263	—	(45)
Berwick Industrial Park	04/28/2023	Buildings and Real Estate	11.00 %	—	4,000	3,974	3,956
Beta Plus Technologies, Inc.	07/01/2029	Business Services	9.37 %	SOFR+525	4,988	4,895	4,938
Blackhawk Industrial Distribution, Inc.	09/17/2024	Distribution	9.65 %	3M L+500	1,407	1,392	1,376
Blackhawk Industrial Distribution, Inc. ⁽⁷⁾	09/17/2024	Distribution	—	—	3,808	—	(48)
Blackhawk Industrial Distribution, Inc. (Revolver)	09/17/2024	Distribution	10.06 %	3M L+500	1,030	1,030	976
Blackhawk Industrial Distribution, Inc. (Revolver) ⁽⁷⁾	09/17/2024	Distribution	—	—	2,402	—	(125)
Broder Bros., Co.	12/04/2025	Consumer Products	9.60 %	3M L+600	10,031	10,031	10,031
Cartessa Aesthetics, LLC	05/13/2028	Distribution	10.58 %	1M L+600	34,315	33,680	33,972
Cartessa Aesthetics, LLC - (Revolver)	05/13/2028	Distribution	10.58 %	1M L+600	1,265	1,265	1,253
Cartessa Aesthetics, LLC - (Revolver) ⁽⁷⁾	05/13/2028	Distribution	—	—	2,297	—	(23)
CF512, Inc.	08/20/2026	Media	10.75 %	3M L+600	6,720	6,635	6,585
CF512, Inc. (Revolver) ⁽⁷⁾	08/20/2026	Media	—	—	909	—	(18)
Compex Legal Services, Inc.	02/09/2026	Business Services	9.97 %	3M L+525	851	841	849
Compex Legal Services, Inc. (Revolver)	02/07/2025	Business Services	9.61 %	3M L+525	328	328	327
Compex Legal Services, Inc. (Revolver) ⁽⁷⁾	02/07/2025	Business Services	—	—	328	—	(1)
Connatix Buyer, Inc. ⁽⁷⁾	01/13/2023	Media	—	—	3,158	—	(71)
Connatix Buyer, Inc. (Revolver) ⁽⁷⁾	07/13/2027	Media	—	—	1,859	—	(60)
Crane 1 Services, Inc.	08/16/2027	Personal, Food and Miscellaneous Services	10.16 %	3M L+575	2,595	2,568	2,569
Crane 1 Services, Inc. (Revolver)	08/16/2027	Personal, Food and Miscellaneous Services	10.48 %	1M L+575	175	175	173
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Personal, Food and Miscellaneous Services	—	—	117	—	(1)
DermaRite Industries LLC	06/30/2023	Manufacturing / Basic Industries	11.73 %	1M L+700	8,755	8,743	5,288
Dr. Squatch, LLC	08/31/2027	Personal and Non-Durable Consumer Products	9.69 %	3M L+600	12,897	12,720	12,704
Dr. Squatch, LLC ⁽⁷⁾	08/27/2026	Personal and Non-Durable Consumer Products	—	—	2,000	—	(10)
Dr. Squatch, LLC (Revolver)	08/31/2027	Personal and Non-Durable Consumer Products	10.46 %	1M L+600	775	775	764
Dr. Squatch, LLC (Revolver) ⁽⁷⁾	08/31/2027	Personal and Non-Durable Consumer Products	—	—	1,551	—	(23)
DRS Holdings III, Inc. (Revolver) ⁽⁷⁾	11/03/2025	Consumer Products	—	—	1,783	—	(57)
ECL Entertainment, LLC	05/01/2028	Hotels, Motels, Inns and Gaming	11.88 %	1M L+750	19,108	18,974	19,044
ECM Industries, LLC (Revolver)	12/23/2025	Electronics	9.50 %	3M L+475	194	194	185
ECM Industries, LLC (Revolver) ⁽⁷⁾	12/23/2025	Electronics	—	—	323	—	(15)
EDS Buyer, LLC	12/22/2028	Aerospace and Defense	10.91 %	3M L+625	7,500	7,388	7,388
EDS Buyer, LLC - Unfunded Term Loan	12/22/2028	Aerospace and Defense	—	—	5,625	—	—
EDS Buyer, LLC - (Revolver) ⁽⁷⁾	12/22/2028	Aerospace and Defense	—	—	1,688	—	—
Exigo Intermediate II, LLC	03/15/2027	Business Services	10.13 %	3M L+575	24,813	24,485	24,316
Exigo Intermediate II, LLC ⁽⁷⁾	03/15/2024	Business Services	—	—	7,424	—	(93)
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Business Services	10.13 %	3M L+575	371	371	364
Exigo Intermediate II, LLC (Revolver) ⁽⁷⁾	03/15/2027	Business Services	—	—	1,485	—	(30)
Fairbanks Morse Defense	06/17/2028	Aerospace and Defense	9.48 %	3M L+475	738	735	699
Gantech Acquisition Corp.	05/14/2026	Business Services	10.63 %	1M L+625	16,723	16,477	16,221
Gantech Acquisition Corp. (Revolver)	05/14/2026	Business Services	10.57 %	1M L+625	664	664	644
Gantech Acquisition Corp. (Revolver) ⁽⁷⁾	05/14/2026	Business Services	—	—	1,327	—	(40)
Graffiti Buyer, Inc.	08/10/2027	Distribution	10.23 %	3M L+550	174	172	168
Graffiti Buyer, Inc. ⁽⁷⁾	08/10/2023	Distribution	—	—	718	—	(16)
Graffiti Buyer, Inc. (Revolver)	08/10/2027	Distribution	10.51 %	3M L+575	310	310	297
Graffiti Buyer, Inc. (Revolver) ⁽⁷⁾	08/10/2027	Distribution	—	—	459	—	(18)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	9.79 %	1M L+550	160	160	157
Hancock Roofing and Construction L.L.C. (Revolver) ⁽⁷⁾	12/31/2026	Insurance	—	—	590	—	(12)
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	1,913	1,879	1,875
Holdco Sands Intermediate, LLC (Revolver) ⁽⁷⁾	11/23/2027	Aerospace and Defense	—	—	3,941	—	(79)
HV Watterson Holdings, LLC	12/17/2026	Business Services	10.73 %	1M L+600	281	279	267
HV Watterson Holdings, LLC ⁽⁷⁾	12/17/2026	Business Services	—	—	2,219	—	(99)
HV Watterson Holdings, LLC - (Revolver)	12/17/2026	Business Services	9.69 %	3M L+600	200	200	190
HV Watterson Holdings, LLC - (Revolver) ⁽⁷⁾	12/17/2026	Business Services	—	—	1,050	—	(55)
HW Holdco, LLC	12/10/2024	Media	7.81 %	3M L+500	10,162	10,063	10,035
HW Holdco, LLC ⁽⁷⁾	12/10/2024	Media	—	—	3,049	—	(8)
HW Holdco, LLC (Revolver) ⁽⁷⁾	12/10/2024	Media	—	—	3,387	—	(42)
Icon Partners III, LP	05/11/2028	Auto Sector	8.82 %	3M L+450	1,990	1,593	1,336
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	11.73 %	3M L+700	3,676	3,572	3,602
IDC Infusion Services, Inc. (Revolver) ⁽⁷⁾	12/30/2026	Healthcare, Education and Childcare	—	—	4,167	—	(146)
IG Investments Holdings, LLC (Revolver)	09/22/2027	Business Services	10.39 %	3M L+600	191	191	188
IG Investments Holdings, LLC (Revolver) ⁽⁷⁾	09/22/2027	Business Services	—	—	286	—	(4)
Imagine Acquisitionco, LLC ⁽⁷⁾	11/15/2027	Business Services	—	—	2,341	—	(47)
Imagine Acquisitionco, LLC (Revolver) ⁽⁷⁾	11/15/2027	Business Services	—	—	1,685	—	(51)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare, Education and Childcare	11.95 %	3M L+715	20,454	20,245	20,045

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(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Infinity Home Services Holdco, Inc.	12/28/2028	Personal, Food and Miscellaneous Services	11.40 %	3M L+685	6,136	\$ 6,014	\$ 6,014
Infinity Home Services Holdco, Inc. - Unfunded Term Loan	12/28/2023	Personal, Food and Miscellaneous Services	—	—	3,230	—	—
Infinity Home Services Holdco, Inc.(Revolver) ⁽⁷⁾	12/28/2028	Personal, Food and Miscellaneous Services	—	—	1,292	—	—
Infolinks Media Buyco, LLC ⁽⁷⁾	11/01/2023	Media	—	—	2,372	—	24
Integrity Marketing Acquisition, LLC	08/27/2025	Insurance	8.83 %	3M L+550	9,930	9,880	9,781
ITI Holdings, Inc.	03/03/2028	Business Services	10.08 %	3M L+550	8,905	8,767	8,727
ITI Holdings, Inc. (Revolver)	03/03/2028	Business Services	10.77 %	3M L+550	513	513	502
ITI Holdings, Inc. (Revolver) ⁽⁷⁾	03/03/2028	Business Services	—	—	978	—	(20)
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	12.38 %	1M L+800	10,955	10,917	10,955
K2 Pure Solutions NoCal, L.P. (Revolver) ⁽⁷⁾	12/20/2023	Chemicals, Plastics and Rubber	—	—	1,938	—	—
Kinetic Purchaser, LLC	11/10/2027	Consumer Products	10.73 %	3M L+600	24,280	23,771	23,673
Kinetic Purchaser, LLC (Revolver)	11/10/2026	Consumer Products	10.73 %	3M L+600	4,854	4,854	4,732
Lash OpCo, LLC	02/18/2027	Consumer Products	11.78 %	1M L+700	2,828	2,777	2,771
Lash OpCo, LLC (Revolver)	08/16/2026	Consumer Products	11.58 %	1M L+700	742	742	728
Lash OpCo, LLC (Revolver) ⁽⁷⁾	08/16/2026	Consumer Products	—	—	1,077	—	(22)
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	10.23 %	1M L+565	2,056	2,034	2,027
(PIK 5.50%)							
Ledge Lounger, Inc.	11/09/2026	Consumer Products	10.98 %	3M L+625	9,154	9,007	8,971
Ledge Lounger, Inc. (Revolver)	11/09/2026	Consumer Products	10.98 %	3M L+625	644	644	631
Ledge Lounger, Inc. (Revolver) ⁽⁷⁾	11/09/2026	Consumer Products	—	—	1,288	—	(26)
Lightspeed Buyer Inc.	02/03/2026	Healthcare, Education and Childcare	9.88 %	1M L+575	2,215	2,200	2,159
Lightspeed Buyer Inc. (Revolver)	02/03/2026	Healthcare, Education and Childcare	9.88 %	1M L+575	505	505	493
Lightspeed Buyer Inc. (Revolver) ⁽⁷⁾	02/03/2026	Healthcare, Education and Childcare	—	—	661	—	(17)
Limerick Town Cener, LLC	09/27/2023	Real Estate	12.50 %	—	3,000	2,978	2,964
LSF9 Atlantis Holdings, LLC	03/31/2029	Retail	11.83 %	SOFR+725	5,925	5,706	5,744
Mars Acquisition Holdings Corp.	05/14/2026	Media	10.23 %	3M L+550	4,913	4,820	4,864
Mars Acquisition Holdings Corp. (Revolver) ⁽⁷⁾	05/14/2026	Media	—	—	1,209	—	(12)
MBS Holdings, Inc. (Revolver) ⁽⁷⁾	04/16/2027	Telecommunications	—	—	694	—	(7)
MDI Buyer, Inc.	07/25/2028	Chemicals, Plastics and Rubber	10.49 %	3M L+600	20,287	19,949	19,835
MDI Buyer, Inc. (Revolver)	07/25/2028	Chemicals, Plastics and Rubber	10.26 %	3M L+600	683	683	668
MDI Buyer, Inc. (Revolver) ⁽⁷⁾	07/25/2028	Chemicals, Plastics and Rubber	—	—	1,544	—	(19)
Meadowlark Acquirer, LLC	12/10/2027	Business Services	9.70 %	3M L+550	1,317	1,305	1,304
Meadowlark Acquirer, LLC Term Loan I ⁽⁷⁾	12/10/2027	Business Services	—	—	1,676	—	—
Meadowlark Acquirer, LLC Term Loan II ⁽⁷⁾	12/10/2027	Business Services	—	—	8,922	—	—
Meadowlark Acquirer, LLC (Revolver) ⁽⁷⁾	12/10/2027	Business Services	—	—	1,685	—	(17)
Municipal Emergency Services, Inc.	09/28/2027	Distribution	8.91 %	3M L+500	1,340	1,328	1,286
Municipal Emergency Services, Inc. ⁽⁷⁾	09/28/2027	Distribution	—	—	539	—	(16)
Municipal Emergency Services, Inc. - Unfunded Term Loan A	06/16/2023	Distribution	—	—	1,255	—	(31)
Municipal Emergency Services, Inc. - Unfunded Term Loan B	12/16/2024	Distribution	—	—	2,510	—	(100)
Municipal Emergency Services, Inc. (Revolver)	09/28/2027	Distribution	9.83 %	3M L+500	1,128	1,128	1,083
Municipal Emergency Services, Inc. (Revolver) ⁽⁷⁾	09/28/2027	Distribution	—	—	752	—	(30)
NBH Group LLC (Revolver) ⁽⁷⁾	08/19/2026	Healthcare, Education and Childcare	—	—	1,163	—	—
Neptune Flood Incorporated	10/14/2026	Financial Services	10.28 %	1M L+600	3,894	3,871	3,894
One Stop Mailing, LLC	05/07/2027	Cargo Transport	10.63 %	3M L+625	6,990	6,876	6,781
ORL Acquisition, Inc.	09/03/2027	Business Services	9.98 %	3M L+525	4,442	4,370	4,442
ORL Acquisition, Inc. (Revolver) ⁽⁷⁾	09/03/2027	Business Services	—	—	597	—	—
Ox Two, LLC	05/18/2026	Building Materials	10.84 %	1M L+700	15,352	15,164	14,891
Ox Two, LLC (Revolver)	05/18/2026	Building Materials	10.84 %	3M L+700	1,935	1,935	1,877
Ox Two, LLC (Revolver) ⁽⁷⁾	05/18/2026	Building Materials	—	—	484	—	(15)
PL Acquisitionco, LLC (Revolver) ⁽⁷⁾	11/09/2027	Retail	—	—	3,236	—	(81)
PRA Events, Inc.	08/07/2025	Business Services	15.23 %	3M L+1,050	24,907	21,694	24,907
(PIK 10.5%)							
PRA Events, Inc. (Revolver) ⁽⁷⁾	08/07/2025	Business Services	—	—	2,000	—	—
Pragmatic Institute, LLC	07/06/2028	Business Services	10.33 %	3M L+575	35,252	34,757	34,899
Pragmatic Institute, LLC Term Loan ⁽⁷⁾	07/06/2028	Business Services	—	—	7,193	—	—
Pragmatic Institute, LL (Revolver)	07/06/2028	Business Services	10.33 %	3M L+575	959	959	949
Pragmatic Institute, LL (Revolver) ⁽⁷⁾	07/06/2028	Business Services	—	—	3,836	—	(38)
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	8.11 %	1M L+625	1,500	1,488	1,470
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense	—	—	584	—	(6)
Quantic Electronics, LLC (Revolver)	11/19/2026	Aerospace and Defense	10.84 %	3M L+600	423	423	414
Quantic Electronics, LLC (Revolver) ⁽⁷⁾	11/19/2026	Aerospace and Defense	—	—	106	—	(2)
Questex, LLC	09/09/2024	Media	8.98 %	3M L+500	21,544	21,401	21,113
Questex, LLC (Revolver) ⁽⁷⁾	09/09/2024	Media	—	—	3,590	—	(72)
Radius Aerospace, Inc. (Revolver)	03/31/2025	Aerospace and Defense	9.19 %	3M L+575	445	445	437
Radius Aerospace, Inc. (Revolver) ⁽⁷⁾	03/31/2025	Aerospace and Defense	—	—	1,782	—	(36)
Rancho Health MSO, Inc. ⁽⁷⁾	12/18/2025	Healthcare, Education and Childcare	10.48 %	3M L+575	289	289	289
Rancho Health MSO, Inc. - Unfunded Term Loan	12/18/2025	Healthcare, Education and Childcare	—	—	761	—	—
Rancho Health MSO, Inc. (Revolver) ⁽⁷⁾	12/18/2025	Healthcare, Education and Childcare	—	—	525	—	—
Reception Purchaser, LLC	02/28/2028	Transportation	10.42 %	SOFR+600	5,970	5,888	5,731
Recteq, LLC (Revolver) ⁽⁷⁾	01/29/2026	Consumer Products	—	—	1,127	—	(39)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	8.84 %	3M L+550	126	126	93
Riverpoint Medical, LLC (Revolver) ⁽⁷⁾	06/20/2025	Healthcare, Education and Childcare	—	—	364	—	(9)
Riverside Assessments, LLC	03/10/2025	Education	9.78 %	3M L+625	12,873	12,692	12,648
Sales Benchmark Index LLC (Revolver) ⁽⁷⁾	01/03/2025	Business Services	—	—	732	—	(4)
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronics	10.27 %	3M L+550	593	593	584
Sargent & Greenleaf Inc. (Revolver) ⁽⁷⁾	12/20/2024	Electronics	—	—	5	—	—
Schlesinger Global, Inc.	07/14/2025	Business Services	11.98 %	3M L+700	4,678	4,629	4,561
Schlesinger Global, Inc. (Revolver)	07/14/2025	Business Services	10.42 %	3M L+600	30	30	30
(PIK 0.5%)							
Schlesinger Global, Inc. (Revolver) ⁽⁷⁾	07/14/2025	Business Services	—	—	8	—	—
Seaway Buyer, LLC	06/13/2029	Chemicals, Plastics and Rubber	10.73 %	1M L+575	4,788	4,720	4,716
Seaway Buyer, LLC (Revolver) ⁽⁷⁾	06/13/2029	Chemicals, Plastics and Rubber	—	—	3,126	—	(47)
Shiftkey, LLC	06/21/2027	Business Services	10.59 %	1M L+575	17,910	17,747	17,803

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Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Sigma Defense Systems, LLC	12/18/2025	Telecommunications	13.23 %	1M L+850	31,476	\$ 30,850	\$ 30,847
Sigma Defense Systems, LLC (Revolver)	12/18/2025	Telecommunications	13.23 %	1M L+850	1,190	1,190	1,167
Sigma Defense Systems, LLC (Revolver) ⁽⁷⁾	12/18/2025	Telecommunications	—	—	1,786	—	(36)
Signature Systems Holding Company (Revolver) ⁽⁷⁾	05/03/2024	Chemicals, Plastics and Rubber	—	—	2,016	—	—
Solutionreach, Inc. (Revolver) ⁽⁷⁾	01/17/2024	Communications	—	—	1,665	—	(45)
Spendmend Holdings LLC	03/01/2028	Business Services	10.17 %	1M L+575	9,680	9,562	9,361
Spendmend Holdings LLC ⁽⁷⁾	03/01/2023	Business Services	—	—	2,784	—	(71)
Spendmend Holdings LLC - Funded Revolver	03/01/2028	Business Services	10.17 %	3M L+575	187	187	181
Spendmend Holdings LLC - Unfunded Revolver ⁽⁷⁾	03/01/2028	Business Services	—	—	1,215	—	(40)
System Planning and Analysis, Inc. - (Revolver) ⁽⁷⁾ (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	2,925	—	(38)
The Bluebird Group LLC	07/27/2026	Business Services	10.92 %	3M L+700	4,859	4,777	4,767
The Bluebird Group LLC (Revolver) ⁽⁷⁾	07/27/2026	Business Services	—	—	734	—	(14)
The Vertex Companies, LLC	08/30/2027	Business Services	9.39 %	3M L+550	1,750	1,734	1,713
The Vertex Companies, LLC ⁽⁷⁾	08/30/2027	Business Services	—	—	466	—	(5)
The Vertex Companies, LLC (Revolver)	08/30/2027	Business Services	9.79 %	3M L+550	148	148	145
The Vertex Companies, LLC (Revolver) ⁽⁷⁾	08/30/2027	Business Services	—	—	592	—	(12)
TVC Enterprises, LLC	03/26/2026	Transportation	9.82 %	1M L+600	12,628	12,395	12,313
TVC Enterprises, LLC (Revolver) ⁽⁷⁾	03/26/2026	Transportation	—	—	1,370	—	(34)
TWS Acquisition Corporation	06/16/2025	Education	11.46 %	1M L+625	1,143	1,143	1,143
TWS Acquisition Corporation (Revolver) ⁽⁷⁾	06/16/2025	Education	—	—	1,644	—	—
Tyto Athene, LLC (Revolver) ⁽⁷⁾	04/01/2026	Aerospace and Defense	—	—	364	—	(34)
Unique Indoor Comfort, LLC	05/24/2027	Home and Office Furnishings	9.98 %	1M L+525	36,741	36,333	35,785
Unique Indoor Comfort, LLC ⁽⁷⁾	05/24/2027	Home and Office Furnishings	—	—	6,540	—	(105)
Unique Indoor Comfort, LLC (Revolver) ⁽⁷⁾	05/24/2027	Home and Office Furnishings	—	—	3,000	—	(78)
Walker Edison Furniture Company LLC ⁽⁶⁾	03/31/2027	Home and Office Furnishings	—	—	25,369	24,881	12,821
Wildcat Buyerco, Inc.	02/27/2026	Electronics	10.21 %	3M L+575	3,826	3,770	3,711
Wildcat Buyerco, Inc. (Revolver)	02/27/2026	Electronics	10.12 %	3M L+585	199	199	185
Wildcat Buyerco, Inc. (Revolver) ⁽⁷⁾	02/27/2026	Electronics	—	—	376	—	(26)
Zips Car Wash, LLC	03/01/2024	Auto Sector	11.53 %	3M L+725	2,624	2,607	2,565
Total First Lien Secured Debt						632,198	614,127
Second Lien Secured Debt—26.0% of Net Assets							
Ascensus Holdings, Inc.	08/02/2028	Financial Services	10.25 %	3M L+650	3,000	2,688	2,605
Atlas Purchaser, Inc.	05/07/2029	Telecommunications	14.20 %	3M L+900	17,000	16,563	13,192
Best Practice Associates LLC	06/29/2027	Aerospace and Defense	13.73 %	3M L+900	17,825	17,519	17,290
Burgess Point Purchaser Corporation	07/28/2030	Auto Sector	13.16 %	3M L+900	8,000	7,858	7,680
Data Axle, Inc.	04/03/2024	Other Media	12.92 %	3M L+925	20,400	20,306	20,196
ENC Parent Corporation	08/19/2029	Business Services	12.23 %	3M L+750	7,500	7,434	6,900
Halo Buyer, Inc.	07/06/2026	Consumer Products	12.63 %	1M L+825	32,500	32,180	31,769
Inventus Power, Inc.	09/29/2024	Electronics	13.23 %	3M L+850	16,593	16,411	16,427
QuantiTech LLC	02/04/2027	Aerospace and Defense	14.29 %	3M L+1,000	150	149	148
VT Topco, Inc.	08/17/2026	Business Services	11.13 %	3M L+675	15,000	14,935	14,550
Total Second Lien Secured Debt						136,043	130,757
Subordinated Debt/Corporate Notes—10.6% of Net Assets							
Express Wash Acquisition Company, LLC	01/15/2029	Auto Sector	16.34 %	3M L+1,150	21,000	20,296	20,265
Flock Financial, LLC	05/26/2027	Financial Services	12.50 %	—	34,000	33,223	32,980
Total Subordinated Debt/Corporate Notes						53,519	53,245
Preferred Equity/Partnership Interests—1.5% of Net Assets ⁽⁶⁾							
Ad.net Holdings, Inc. ⁽⁹⁾	—	Media	—	—	2,400	240	272
AH Newco Equityholdings, LLC	—	Healthcare, Education and Childcare	6.00 %	—	211	500	2,161
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ⁽⁹⁾	—	Media	—	—	1,135	1,135	1,461
Imagine Topco, LP	—	Business Services	8.00 %	—	743,826	744	702
Mars Intermediate Holdings II, Inc.	—	Media	—	—	414	414	484
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	160	160	173
ORL Holdco, Inc.	—	Business Services	—	—	575	58	65
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	12.00 %	—	1,527	1,527	2,278
TPC Holding Company, LP ⁽⁸⁾⁽¹¹⁾	—	Food	—	—	219	219	71
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	30	30	34
Total Preferred Equity/Partnership Interests						5,027	7,701
Common Equity/Partnership Interests/Warrants—24.5% of Net Assets ⁽⁶⁾							
A1 Garage Equity, LLC ⁽⁹⁾	—	Personal, Food and Miscellaneous Services	—	—	2,193,038	2,193	2,193
Ad.net Holdings, Inc. ⁽⁹⁾	—	Media	—	—	2,667	27	33
Affinion Group Holdings, Inc. (Warrants)	04/10/2024	Consumer Products	—	—	77,190	2,126	—
AG Investco LP ⁽⁹⁾	—	Business Services	—	—	805,164	805	1,187
AG Investco LP ^{(7), (9)}	—	Business Services	—	—	194,836	—	—
Altamira Intermediate Company II, Inc.	—	Aerospace and Defense	—	—	125,000	125	115
AMCSI Crash Co-Invest, LP	—	Auto Sector	—	—	2,489,777	2,490	2,689
AMCSI Crash Co-Invest, LP ⁽⁷⁾	—	Auto Sector	—	—	510,223	—	—
Anteradi Holdings, LP (f/k/a MeritDirect Holdings, LP) ⁽⁹⁾	—	Media	—	—	1,135	—	221
Athletico Holdings, LLC ⁽⁹⁾	—	Healthcare, Education and Childcare	—	—	9,357	10,000	7,566
Atlas Investment Aggregator, LLC	—	Telecommunications	—	—	1,700,000	1,700	834
Burgess Point Holdings, LP	—	Auto Sector	—	—	680	680	703
Cartessa Aesthetics, LLC ⁽⁹⁾	—	Distribution	—	—	3,562,500	3,563	3,956
CI (Allied) Investment Holdings, LLC ⁽⁹⁾	—	Business Services	—	—	120,962	1,243	1,836
(PRA Events, Inc.) ⁽⁹⁾	—		—	—			
Connatix Parent, LLC	—	Media	—	—	57,416	632	586
Cowboy Parent LLC (Blackhawk Industrial Distribution, Inc.)	—	Distribution	—	—	26,360	2,782	4,109

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Crane I Acquisition Parent Holdings, L.P.	—	Personal, Food and Miscellaneous Services	—	—	113	\$ 104	\$ 144
Delta InvestCo LP	—	Telecommunications	—	—	698,889	684	1,378
(Sigma Defense Systems, LLC) ⁽⁹⁾	—	Telecommunications	—	—	442,155	—	—
Delta InvestCo LP ⁽⁷⁾	—	Telecommunications	—	—	167,537	37	419
(Sigma Defense Systems, LLC) ^{(7),(9)}	—	Electronics	—	—	80	1,005	1,490
ECM Investors, LLC ⁽⁹⁾	—	Financial Services	—	—	937,500	938	938
eCommission Holding Corporation ⁽¹¹⁾	—	Aerospace and Defense	—	—	1,458,333	1,458	1,553
EDS Topco, LP	—	Business Services	—	—	658,000	3,290	3,046
Exigo, LLC ⁽⁹⁾	—	Auto Sector	—	—	14,186	469	1,418
Express Wash Topco, LLC	—	Aerospace and Defense	—	—	6,384	—	—
FedHC InvestCo LP ⁽⁹⁾	—	Aerospace and Defense	—	—	20,357	2,199	2,036
FedHC InvestCo LP ^{(7),(9)}	—	Aerospace and Defense	—	—	889,376	135	4,523
FedHC InvestCo II LP ⁽⁹⁾	—	Consumer Products	—	—	9	10	10
Gauge Lash Coinvest LLC	—	Business Services	—	—	810,645	—	3,482
Gauge Schlesinger Coinvest, LLC	—	Transportation	—	—	2,434	1,003	624
Gauge TVC Coinvest, LLC	—	Business Services	—	—	675,325	675	1,101
(TVC Enterprises, LLC)	—	Building Materials	—	—	450,000	450	378
GCOM InvestCo LP ⁽⁹⁾	—	Insurance	—	—	1,600,000	1,600	815
Go Dawgs Capital III, LP	—	Business Services	—	—	1,111,111	1,111	989
(American Insulated Glass, LLC) ⁽⁹⁾	—	Business Services	—	—	388,889	—	(43)
Hancock Claims Consultants Investors, LLC ⁽⁹⁾	—	Business Services	—	—	1,218,045	1,218	1,218
HV Waterson Holdings, LLC	—	Business Services	—	—	743,826	—	—
Icon Partners V C, L.P.	—	Business Services	—	—	181,495	2,040	3,124
Icon Partners V C, L.P. ⁽⁷⁾	—	Business Services	—	—	456	450	378
IHS Parent Holdings, L.P.	—	Personal, Food and Miscellaneous Services	—	—	450,000	450	378
Imagine Topco, LP	—	Business Services	—	—	1,600,000	1,600	815
Infogroup Parent Holdings, Inc.	—	Other Media	—	—	1,111,111	1,111	989
(Data Axle, Inc.)	—	Other Media	—	—	388,889	—	(43)
Ironclad Holdco, LLC	—	Environmental Services	—	—	1,218,045	1,218	1,218
(Applied Technical Services, LLC) ⁽⁹⁾	—	Environmental Services	—	—	181,495	2,040	3,124
ITC Infusion Co-invest, LP ⁽⁹⁾	—	Healthcare, Education and Childcare	—	—	162,445	1,624	1,624
ITC Rumba, LLC	—	Healthcare, Education and Childcare	—	—	375,675	8	6,725
(Cano Health, LLC) ⁽⁹⁾	—	Healthcare, Education and Childcare	—	—	2,688	783	—
JWC-WE Holdings, L.P.	—	Home and Office Furnishings	—	—	161,252	—	1,678
(Walker Edison Furniture Company LLC) ⁽⁹⁾	—	Home and Office Furnishings	—	—	1,308,814	1,309	1,705
Kentucky Racing Holdco, LLC (Warrants) ⁽⁹⁾	—	Hotels, Motels, Inns and Gaming	—	—	382,353	382	918
Kinetic Purchaser, LLC	—	Consumer Products	—	—	363,656	119	1,509
KL Stockton Co-Invest LP	—	Personal, Food and Miscellaneous Services	—	—	273,143	273	498
(Any Hour Services) ⁽⁹⁾	—	Personal, Food and Miscellaneous Services	—	—	335,590	4,530	4,519
Lariat ecoserv Co-Invest Holdings, LLC ⁽⁹⁾	—	Environmental Services	—	—	414	—	139
Lightspeed Investment Holdco LLC	—	Environmental Services	—	—	30,993	3,103	3,215
Lorient Peregrine Investments, LP	—	Healthcare, Education and Childcare	—	—	815,385	802	734
Mars Intermediate Holdings II, Inc. ⁽⁹⁾	—	Business Services	—	—	3,920,145	3,984	3,042
MDI Aggregator, LP	—	Chemicals, Plastics and Rubber	—	—	1,299	1,259	179
Meadowlark Title, LLC ⁽⁹⁾	—	Business Services	—	—	351,553	352	344
Municipal Emergency Services, Inc.	—	Distribution	—	—	3,261	3	—
NEPRT Parent Holdings, LLC	—	Consumer Products	—	—	98,286	961	1,729
(Recteq, LLC) ⁽⁹⁾	—	Consumer Products	—	—	446,250	446	381
North Haven Saints Equity Holdings, LP ⁽⁹⁾	—	Business Services	—	—	303,750	—	(44)
NXOF Holdings, Inc.	—	Aerospace and Defense	—	—	638	6	80
(Tyto Athene, LLC)	—	Aerospace and Defense	—	—	15,038,871	15,039	14,991
OceanSound Discovery Equity, LP	—	Aerospace and Defense	—	—	1,044	1,044	543
(Holdco Sands Intermediate, LLC) ⁽⁹⁾	—	Aerospace and Defense	—	—	1,918,047	1,918	1,789
OHCP V BC COI, L.P.	—	Distribution	—	—	20,215	3,022	509
OHCP V BC COI, L.P. ⁽⁷⁾	—	Distribution	—	—	2,771,739	2,772	2,814
ORL Holdco, Inc.	—	Business Services	—	—	712	68	345
PennantPark-TSO Senior Loan Fund II, LP	—	Financial Services	—	—	955	—	—
Pink Lily Holdco, LLC ⁽⁹⁾	—	Retail	—	—	40	24	24
Pragmatic Institute, LLC	—	Business Services	—	—	1,050,000	1,050	1,050
ProFrac Holdings Corp.	—	Oil and Gas	—	—	36,585	366	357
Quad (U.S.) Co-Invest, L.P.	—	Business Services	—	—	2,981	2,981	2,998
QuantiTech InvestCo LP ⁽⁹⁾	—	Aerospace and Defense	—	—	80	80	435
QuantiTech InvestCo LP ^{(7),(9)}	—	Aerospace and Defense	—	—	881,966	882	620
QuantiTech InvestCo II LP ⁽⁹⁾	—	Aerospace and Defense	—	—	1,500	1,500	2,041
RFMG Parent, LP	—	Healthcare, Education and Childcare	—	—	1,500	—	3,936
(Rancho Health MSO, Inc.)	—	Healthcare, Education and Childcare	—	—	153,846	154	162
SBI Holdings Investments LLC	—	Business Services	—	—	232,558	233	328
(Sales Benchmark Index LLC)	—	Business Services	—	—	—	—	—
Seaway Topco, LP ⁽⁹⁾	—	Chemicals, Plastics and Rubber	—	—	2,981	2,981	2,998
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	—	—	80	80	435
SP I2 Holdings, LLC	—	Consumer Products	—	—	881,966	882	620
SSC Dominion Holdings, LLC	—	Electronics	—	—	1,500	1,500	2,041
Class A (US Dominion, Inc.)	—	Electronics	—	—	1,500	—	3,936
SSC Dominion Holdings, LLC	—	Electronics	—	—	1,500	—	3,936
Class B (US Dominion, Inc.)	—	Electronics	—	—	1,500	—	3,936
StellPen Holdings, LLC	—	Media	—	—	153,846	154	162
(CF512, Inc.)	—	Media	—	—	153,846	154	162
TAC LifePort Holdings, LLC ⁽⁹⁾	—	Aerospace and Defense	—	—	232,558	233	328

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS (Unaudited) —(Continued)
DECEMBER 31, 2022
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽⁹⁾
Tower Arch Infolinks Media, LP ⁽⁹⁾	—	Media	—	—	533,903	\$ 513	\$ 1,060
Tower Arch Infolinks Media, LP ^{(7),(9)}	—	Media	—	—	361,541	—	—
TPC Holding Company, LP ^{(8),(11)}	—	Food	—	—	11,527	12	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	608	1	2
UniVista Insurance ⁽⁹⁾	—	Business Services	—	—	400	379	406
WCP Ivyrehab QP CF Feeder, LP	—	Healthcare, Education and Childcare	—	—	3,762,257	3,696	3,620
WCP Ivyrehab QP CF Feeder, LP - Unfunded ⁽⁷⁾	—	Healthcare, Education and Childcare	—	—	237,743	—	(9)
Wildcat Parent, LP (Wildcat Buyerco, Inc.)	—	Electronics	—	—	2,314	230	770
Total Common Equity/Partnership Interests/Warrants						<u>103,150</u>	<u>123,058</u>
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						<u>929,937</u>	<u>928,888</u>
Investments in Non-Controlled, Affiliated Portfolio Companies—7.1% of Net Assets ^{(1),(2)}							
Preferred Equity/Partnership Interests—6.7% of Net Assets ⁽⁶⁾							
Cascade Environmental Holdings, LLC ⁽⁹⁾	—	Environmental Services	—	—	5,887,236	32,791	32,791
Cascade Environmental Holdings, LLC - Series B	—	Environmental Services	—	—	819	819	819
Total Preferred Equity/Partnership Interests						<u>33,610</u>	<u>33,610</u>
Common Equity/Partnership Interests/Warrants—0.4% of Net Assets ⁽⁶⁾							
Cascade Environmental Holdings, LLC	—	Environmental Services	—	—	7,444,347	2,852	—
JF Intermediate, LLC	—	Distribution	—	—	19,687	1,969	1,969
Total Common Equity/Partnership Interests/Warrants						<u>4,821</u>	<u>1,969</u>
Total Investments in Non-Controlled, Affiliated Portfolio Companies						<u>38,431</u>	<u>35,579</u>
Investments in Controlled, Affiliated Portfolio Companies—46.0% of Net Assets ^{(1),(2)}							
First Lien Secured Debt—9.4% of Net Assets							
AKW Holdings Limited ^{(9),(10),(11)}	03/13/2024	Healthcare, Education and Childcare	9.85 %	3M L+700	£ 39,190	53,923	47,141
Total First Lien Secured Debt						<u>53,923</u>	<u>47,141</u>
Second Lien Secured Debt—0% of Net Assets							
Mailsouth Inc.	04/23/2025	Printing and Publishing	—	—	13,342	12,383	—
Total Second Lien Secured Debt						<u>12,383</u>	<u>—</u>
Subordinated Debt—19.0% of Net Assets							
PennantPark Senior Loan Fund, LLC ⁽¹¹⁾	07/31/2027	Financial Services	12.44 %	3M L+800	95,351	95,351	95,351
Total Subordinated Debt						<u>95,351</u>	<u>95,351</u>
Common Equity—17.7% of Net Assets ⁽⁶⁾							
AKW Holdings Limited ^{(8),(10),(11)}	—	Healthcare, Education and Childcare	—	—	£ 950	132	3,329
MSpark, LLC	—	Printing and Publishing	—	—	51,151	16,516	—
PennantPark Senior Loan Fund, LLC	—	Financial Services	—	—	54,058,415	54,121	53,806
RAM Energy Holdings LLC ⁽⁹⁾	—	Energy and Utilities	—	—	180,805	162,708	31,941
Total Common Equity						<u>233,477</u>	<u>89,076</u>
Total Investments in Controlled, Affiliated Portfolio Companies						<u>395,134</u>	<u>231,568</u>
Total Investments—237.8% of Net Assets						<u>1,363,502</u>	<u>1,196,035</u>
Cash and Cash Equivalents—5.7% of Net Assets							
BlackRock Federal FD Institutional 30						23,090	23,090
BNY Mellon Cash Reserve and Cash						5,468	5,466
Total Cash and Cash Equivalents						<u>28,558</u>	<u>28,556</u>
Total Investments and Cash Equivalents—243.5% of Net Assets						<u>\$ 1,392,060</u>	<u>\$ 1,224,591</u>
Liabilities in Excess of Other Assets—(143.5%) of Net Assets							<u>(721,682)</u>
Net Assets—100.0%							<u>\$ 502,909</u>

- The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be “non-controlled” when we own 25% or less of the portfolio company’s voting securities and “controlled” when we own more than 25% of the portfolio company’s voting securities (See Note 6).
- The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as “non-affiliated” when we own less than 5% of a portfolio company’s voting securities and “affiliated” when we own 5% or more of a portfolio company’s voting securities (See Note 6).
- Valued based on our accounting policy (See Note 2).
- Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or “L,” the Euro Interbank Offered Rate, or EURIBOR or “E”, Secured Overnight Financing Rate or “SOFR”, or Prime rate, or “P.” The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 90-day or 180-day LIBOR rate (1M L, 3M L, or 6M L, respectively), and EURIBOR loans are typically indexed to a 90-day EURIBOR rate (3M E), at the borrower’s option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes payment-in-kind, or PIK, interest and other fee rates, if any.
- The security was not valued using significant unobservable inputs. The value of all other securities was determined using significant unobservable inputs (See Note 5).
- Non-income producing securities.
- Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- Non-U.S. company or principal place of business outside the United States.
- Investment is held through our Taxable Subsidiary (See Note 1).
- Par / Shares amount is denominated in British Pounds (£) as denoted.
- The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of December 31, 2022, qualifying assets represent 80% of the Company’s total assets and non-qualifying assets represent 20% of the Company’s total assets.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2022
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—159.2% of Net Assets ^{(1),(2)}							
First Lien Secured Debt—100.5% of Net Assets							
Ad.net Acquisition, LLC (Revolver) ⁽⁷⁾	05/06/2026	Media	—	—	444	\$ —	\$ (3)
Altamira Technologies, LLC (Revolver)	07/24/2025	Aerospace and Defense	11.67 %	3M L+800	50	50	48
Altamira Technologies, LLC (Revolver) ⁽⁷⁾	07/24/2025	Aerospace and Defense	—	—	138	—	(5)
American Insulated Glass, LLC	12/21/2023	Building Materials	7.79 %	3M L+550	3,329	3,310	3,329
Anteriad, LLC (f/k/a MeritDirect, LLC) (Revolver) ⁽⁷⁾	05/23/2024	Media	—	—	1,612	—	—
Any Hour Services	07/21/2027	Personal, Food and Miscellaneous Services	8.15 %	3M L+525	4,120	4,086	4,038
Any Hour Services (Revolver) ⁽⁷⁾	07/21/2027	Personal, Food and Miscellaneous Services	—	—	1,147	—	(23)
Apex Service Partners, LLC	07/31/2025	Personal, Food and Miscellaneous Services	7.60 %	1M L+550	1,331	1,331	1,324
Apex Service Partners, LLC Term Loan C	07/31/2025	Personal, Food and Miscellaneous Services	9.08 %	1M L+550	1,893	1,873	1,883
Apex Service Partners, LLC (Revolver)	07/31/2025	Personal, Food and Miscellaneous Services	6.72 %	3M L+525	62	62	62
Apex Service Partners, LLC (Revolver) ⁽⁷⁾	07/31/2025	Personal, Food and Miscellaneous Services	—	—	870	—	(4)
Applied Technical Services, LLC	12/29/2026	Environmental Services	7.59 %	3M L+575	1,402	1,388	1,367
Applied Technical Services, LLC ⁽⁷⁾	04/21/2023	Environmental Services	—	—	1,595	—	(22)
Applied Technical Services, LLC (Revolver)	12/29/2026	Environmental Services	10.25 %	3M P+475	200	200	195
Applied Technical Services, LLC (Revolver) ⁽⁷⁾	12/29/2026	Environmental Services	—	—	800	—	(20)
Arcfield Acquisition Corp. (Revolver) ⁽⁷⁾	03/07/2028	Aerospace and Defense	—	—	2,263	—	(45)
Berwick Industrial Park	04/28/2023	Buildings and Real Estate	11.00 %	—	4,000	3,953	3,934
Beta Plus Technologies, Inc.	07/01/2029	Business Services	7.56 %	SOFR+525	5,000	4,904	4,900
Blackhawk Industrial Distribution, Inc.	09/17/2024	Distribution	8.69 %	3M L+500	1,175	1,160	1,149
Blackhawk Industrial Distribution, Inc. ⁽⁷⁾	09/17/2024	Distribution	—	—	4,043	—	(51)
Blackhawk Industrial Distribution, Inc. (Revolver)	09/17/2024	Distribution	8.69 %	3M L+500	686	686	667
Blackhawk Industrial Distribution, Inc. (Revolver) ⁽⁷⁾	09/17/2024	Distribution	—	—	2,746	—	(77)
Broder Bros., Co.	12/02/2022	Consumer Products	7.39 %	3M L+600	10,096	10,096	10,096
Cartessa Aesthetics, LLC	05/13/2028	Distribution	9.55 %	1M L+600	39,401	38,644	38,810
Cartessa Aesthetics, LLC - (Revolver)	05/13/2028	Distribution	9.55 %	1M L+600	1,265	1,265	1,246
Cartessa Aesthetics, LLC - (Revolver) ⁽⁷⁾	05/13/2028	Distribution	—	—	2,297	—	(34)
CF512, Inc.	08/20/2026	Media	9.30 %	3M L+600	6,720	6,630	6,619
CF512, Inc (Revolver) ⁽⁷⁾	08/20/2026	Media	—	—	909	—	(14)
Compex Legal Services, Inc.	02/09/2026	Business Services	7.48 %	3M L+525	853	843	853
Compex Legal Services, Inc. (Revolver)	02/07/2025	Business Services	8.92 %	3M L+525	361	361	361
Compex Legal Services, Inc. (Revolver) ⁽⁷⁾	02/07/2025	Business Services	—	—	295	—	—
Connatix Buyer, Inc. ⁽⁷⁾	01/13/2023	Media	—	—	3,158	—	(47)
Connatix Buyer, Inc. (Revolver) ⁽⁷⁾	07/13/2027	Media	—	—	1,859	—	(46)
Crane 1 Services, Inc.	08/16/2027	Personal, Food and Miscellaneous Services	8.40 %	3M L+575	2,606	2,577	2,580
Crane 1 Services, Inc. (Revolver)	08/16/2027	Personal, Food and Miscellaneous Services	8.87 %	1M L+575	194	194	192
Crane 1 Services, Inc. (Revolver) ⁽⁷⁾	08/16/2027	Personal, Food and Miscellaneous Services	—	—	97	—	(1)
DermaRite Industries LLC	06/30/2023	Manufacturing / Basic Industries	10.67 %	1M L+700	8,755	8,734	7,030
Dr. Squatch, LLC	08/31/2027	Personal and Non-Durable Consumer Products	9.17 %	3M L+600	12,930	12,742	12,736
Dr. Squatch, LLC ⁽⁷⁾	08/27/2026	Personal and Non-Durable Consumer Products	—	—	2,000	—	(10)
Dr. Squatch, LLC (Revolver)	08/31/2027	Personal and Non-Durable Consumer Products	8.95 %	1M L+600	775	775	764
Dr. Squatch, LLC (Revolver) ⁽⁷⁾	08/31/2027	Personal and Non-Durable Consumer Products	—	—	1,551	—	(23)
DRS Holdings III, Inc. (Revolver) ⁽⁷⁾	11/03/2025	Consumer Products	—	—	1,783	—	(57)
ECL Entertainment, LLC	05/01/2028	Hotels, Motels, Inns and Gaming	10.62 %	1M L+750	19,156	19,019	18,869
ECM Industries, LLC (Revolver)	12/23/2025	Electronics	7.93 %	3M L+475	291	291	277
ECM Industries, LLC (Revolver) ⁽⁷⁾	12/23/2025	Electronics	—	—	226	—	(11)
Exigo Intermediate II, LLC	03/15/2027	Business Services	8.87 %	3M L+575	24,875	24,532	24,315
Exigo Intermediate II, LLC ⁽⁷⁾	03/15/2024	Business Services	—	—	7,424	—	(111)
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Business Services	8.87 %	3M L+575	371	371	363
Exigo Intermediate II, LLC (Revolver) ⁽⁷⁾	03/15/2027	Business Services	—	—	1,485	—	(33)
Fairbanks Morse Defense	06/17/2028	Aerospace and Defense	7.00 %	3M L+475	738	735	682
Gantech Acquisition Corp.	05/14/2026	Business Services	9.37 %	1M L+625	16,809	16,548	16,305
Gantech Acquisition Corp. (Revolver)	05/14/2026	Business Services	9.37 %	1M L+625	132	133	129
Gantech Acquisition Corp. (Revolver) ⁽⁷⁾	05/14/2026	Business Services	—	—	1,858	—	(56)
Graffiti Buyer, Inc. ⁽⁷⁾	08/10/2023	Distribution	—	—	892	—	(20)
Graffiti Buyer, Inc. (Revolver)	08/10/2027	Distribution	9.16 %	3M L+575	372	372	357
Graffiti Buyer, Inc. (Revolver) ⁽⁷⁾	08/10/2027	Distribution	—	—	397	—	(16)
Hancock Roofing and Construction L.L.C. ⁽⁷⁾	12/31/2022	Insurance	—	—	400	—	(6)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	7.82 %	1M L+500	270	270	266
Hancock Roofing and Construction L.L.C. (Revolver) ⁽⁷⁾	12/31/2026	Insurance	—	—	480	—	(7)
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	3M L+600	1,918	1,883	1,879
Holdco Sands Intermediate, LLC (Revolver) ⁽⁷⁾	11/23/2027	Aerospace and Defense	—	—	3,941	—	(79)
HV Watterson Holdings, LLC	12/17/2026	Business Services	9.67 %	1M L+600	281	279	271
HV Watterson Holdings, LLC ⁽⁷⁾	12/17/2026	Business Services	—	—	2,219	—	(61)
HV Watterson Holdings, LLC - (Revolver)	12/17/2026	Business Services	9.63 %	3M L+600	200	200	193
HV Watterson Holdings, LLC - (Revolver) ⁽⁷⁾	12/17/2026	Business Services	—	—	1,050	—	(37)
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+500	10,188	10,077	10,061
HW Holdco, LLC ⁽⁷⁾	12/10/2024	Media	—	—	3,049	—	(8)
HW Holdco, LLC (Revolver) ⁽⁷⁾	12/10/2024	Media	—	—	3,387	—	(42)
Icon Partners III, LP	05/11/2028	Auto Sector	7.55 %	3M L+475	995	834	727
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	10.70 %	3M L+600	3,685	3,576	3,574
IDC Infusion Services, Inc. (Revolver) ⁽⁷⁾	12/30/2026	Healthcare, Education and Childcare	—	—	4,167	—	(187)
IG Investments Holdings, LLC (Revolver) ⁽⁷⁾	09/22/2027	Business Services	—	—	477	—	(5)
Imagine Acquisitionco, LLC ⁽⁷⁾	11/15/2027	Business Services	—	—	2,341	—	(35)
Imagine Acquisitionco, LLC (Revolver) ⁽⁷⁾	11/15/2027	Business Services	—	—	1,685	—	(42)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare, Education and Childcare	10.18 %	3M L+715	20,506	20,239	20,301

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PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS – (Continued)
SEPTEMBER 30, 2022
(In thousands, except share data)

Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Infolinks Media Buyco, LLC ⁽⁷⁾	11/01/2023	Media	—	—	2,372	\$ —	\$ 24
Integrity Marketing Acquisition, LLC	08/27/2025	Insurance	7.83 %	3M L+550	9,930	9,876	9,831
ITI Holdings, Inc.	03/03/2028	Business Services	8.67 %	3M L+550	8,927	8,784	8,749
ITI Holdings, Inc. (Revolver)	03/03/2028	Business Services	8.25 %	3M L+550	298	298	292
ITI Holdings, Inc. (Revolver) ⁽⁷⁾	03/03/2028	Business Services	—	—	1,192	—	(24)
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	11.12 %	1M L+800	11,678	11,629	11,678
K2 Pure Solutions NoCal, L.P. (Revolver) ⁽⁷⁾	12/20/2023	Chemicals, Plastics and Rubber	—	—	1,938	—	—
Kinetic Purchaser, LLC	11/10/2027	Consumer Products	9.67 %	3M L+600	24,341	23,807	23,855
Kinetic Purchaser, LLC (Revolver)	11/10/2026	Consumer Products	9.67 %	3M L+600	4,854	4,854	4,757
Lash OpCo, LLC	02/18/2027	Consumer Products	11.78 %	1M L+700	2,828	2,774	2,771
Lash OpCo, LLC (Revolver)	08/16/2026	Consumer Products	9.38 %	1M L+700	568	568	556
Lash OpCo, LLC (Revolver) ⁽⁷⁾	08/16/2026	Consumer Products	—	—	1,252	—	(25)
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	9.95 %	1M L+750	2,061	2,036	2,013
			(PIK 5.50%)				
Ledge Lounger, Inc.	11/09/2026	Consumer Products	9.92 %	3M L+625	9,177	9,021	9,040
Ledge Lounger, Inc. (Revolver) ⁽⁷⁾	11/09/2026	Consumer Products	—	—	1,933	—	(29)
Lightspeed Buyer Inc.	02/03/2026	Healthcare, Education and Childcare	8.87 %	1M L+575	2,220	2,205	2,148
Lightspeed Buyer Inc. (Revolver)	02/03/2026	Healthcare, Education and Childcare	8.87 %	1M L+575	505	505	489
Lightspeed Buyer Inc. (Revolver) ⁽⁷⁾	02/03/2026	Healthcare, Education and Childcare	—	—	661	—	(21)
Limerick Town Cener, LLC	09/27/2023	Real Estate	12.50 %	—	3,000	2,970	2,970
LSP9 Atlantis Holdings, LLC	03/31/2029	Retail	9.37 %	SOFR+725	6,000	5,772	5,685
Mars Acquisition Holdings Corp. (Revolver) ⁽⁷⁾	05/14/2026	Media	—	—	806	—	(4)
MBS Holdings, Inc. (Revolver) ⁽⁷⁾	04/16/2027	Telecommunications	—	—	694	—	(7)
MDI Buyer, Inc.	07/25/2028	Chemicals, Plastics and Rubber	8.98 %	3M L+600	14,400	14,117	14,112
MDI Buyer, Inc. Term Loan ⁽⁷⁾	07/25/2028	Chemicals, Plastics and Rubber	—	—	5,196	—	(52)
MDI Buyer, Inc. (Revolver) ⁽⁷⁾	07/25/2028	Chemicals, Plastics and Rubber	—	—	2,227	—	(22)
Meadowlark Acquirer, LLC	12/10/2027	Business Services	9.17 %	3M L+550	1,320	1,307	1,307
Meadowlark Acquirer, LLC Term Loan I ⁽⁷⁾	12/10/2027	Business Services	—	—	1,676	—	—
Meadowlark Acquirer, LLC Term Loan II ⁽⁷⁾	12/10/2027	Business Services	—	—	8,922	—	—
Meadowlark Acquirer, LLC (Revolver) ⁽⁷⁾	12/10/2027	Business Services	—	—	1,685	—	(17)
Municipal Emergency Services, Inc.	09/28/2027	Distribution	8.67 %	3M L+500	703	697	663
Municipal Emergency Services, Inc. ⁽⁷⁾	09/28/2027	Distribution	—	—	1,175	—	(56)
Municipal Emergency Services, Inc. (Revolver)	09/28/2027	Distribution	7.25 %	3M L+500	282	282	266
Municipal Emergency Services, Inc. (Revolver) ⁽⁷⁾	09/28/2027	Distribution	—	—	1,598	—	(93)
NBH Group LLC (Revolver) ⁽⁷⁾	08/19/2026	Healthcare, Education and Childcare	—	—	1,163	—	—
Neptune Flood Incorporated	10/14/2026	Financial Services	7.10 %	1M L+525	4,379	4,352	4,423
OIS Management Services, LLC (Revolver) ⁽⁷⁾	07/09/2026	Healthcare, Education and Childcare	—	—	333	—	—
One Stop Mailing, LLC	05/07/2027	Cargo Transport	8.77 %	3M L+625	7,008	6,889	6,798
ORL Acquisition, Inc.	09/03/2027	Business Services	8.92 %	3M L+525	4,454	4,378	4,454
ORL Acquisition, Inc. (Revolver) ⁽⁷⁾	09/03/2027	Business Services	—	—	597	—	—
Ox Two, LLC	05/18/2026	Building Materials	9.81 %	1M L+700	15,391	15,189	15,083
Ox Two, LLC (Revolver)	05/18/2026	Building Materials	9.81 %	3M L+700	1,774	1,774	1,739
Ox Two, LLC (Revolver) ⁽⁷⁾	05/18/2026	Building Materials	—	—	645	—	(13)
PL Acquisitionco, LLC (Revolver) ⁽⁷⁾	11/09/2027	Retail	—	—	3,236	—	(81)
PRA Events, Inc.	08/07/2025	Business Services	14.17 %	3M L+1,050	24,907	21,694	24,907
			(PIK 10.5%)				
PRA Events, Inc. (Revolver) ⁽⁷⁾	08/07/2025	Business Services	—	3M L+1,050	2,000	—	—
Pragmatic Institute, LLC	07/06/2028	Business Services	9.30 %	3M L+575	35,340	34,826	34,987
Pragmatic Institute, LLC Term Loan ⁽⁷⁾	07/06/2028	Business Services	—	—	7,193	—	—
Pragmatic Institute, LLC (Revolver)	07/06/2028	Business Services	9.30 %	3M L+575	959	959	949
Pragmatic Institute, LLC (Revolver) ⁽⁷⁾	07/06/2028	Business Services	—	—	3,836	—	(38)
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	8.00 %	1M L+625	679	673	666
Quantic Electronics, LLC (Revolver)	11/19/2026	Aerospace and Defense	9.51 %	3M L+600	211	211	207
Quantic Electronics, LLC (Revolver) ⁽⁷⁾	11/19/2026	Aerospace and Defense	—	—	317	—	(6)
Questex, LLC	09/09/2024	Media	7.45 %	3M L+500	21,600	21,436	21,168
Questex, LLC (Revolver) ⁽⁷⁾	09/09/2024	Media	—	—	3,590	—	(72)
Radius Aerospace, Inc. (Revolver)	03/31/2025	Aerospace and Defense	8.28 %	3M L+575	891	891	877
Radius Aerospace, Inc. (Revolver) ⁽⁷⁾	03/31/2025	Aerospace and Defense	—	—	1,336	—	(20)
Rancho Health MSO, Inc. ⁽⁷⁾	12/18/2025	Healthcare, Education and Childcare	—	—	1,050	—	—
Rancho Health MSO, Inc. (Revolver) ⁽⁷⁾	12/18/2025	Healthcare, Education and Childcare	—	—	525	—	—
Reception Purchaser, LLC	02/28/2028	Transportation	9.13 %	SOFR+600	5,970	5,885	5,701
Recteq, LLC (Revolver)	01/29/2026	Consumer Products	9.92 %	1M L+600	313	313	302
Recteq, LLC (Revolver) ⁽⁷⁾	01/29/2026	Consumer Products	—	—	814	—	(28)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	8.84 %	3M L+550	126	126	113
Riverpoint Medical, LLC (Revolver) ⁽⁷⁾	06/20/2025	Healthcare, Education and Childcare	—	—	364	—	(9)
Riverside Assessments, LLC	03/10/2025	Education	8.97 %	3M L+625	12,906	12,705	12,648
Sales Benchmark Index LLC (Revolver) ⁽⁷⁾	01/03/2025	Business Services	—	—	732	—	(7)
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronics	8.28 %	3M L+550	593	593	587
Sargent & Greenleaf Inc. (Revolver) ⁽⁷⁾	12/20/2024	Electronics	—	—	5	—	—
Schlesinger Global, Inc.	07/14/2025	Business Services	11.11 %	3M L+700	4,689	4,636	4,571
Schlesinger Global, Inc. (Revolver)	07/14/2025	Business Services	9.09 %	3M L+600	30	30	30
			(PIK 0.5%)				
Schlesinger Global, Inc. (Revolver) ⁽⁷⁾	07/14/2025	Business Services	—	—	8	—	—
Seaway Buyer, LLC	06/13/2029	Chemicals, Plastics and Rubber	9.70 %	1M L+575	4,800	4,730	4,728
Seaway Buyer, LLC (Revolver) ⁽⁷⁾	06/13/2029	Chemicals, Plastics and Rubber	—	—	3,126	—	(47)
Shiftkey, LLC	06/21/2027	Business Services	9.56 %	1M L+575	17,955	17,784	17,722

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Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽⁵⁾
Sigma Defense Systems, LLC	12/18/2025	Telecommunications	12.17 %	1M L+850	31,680	\$ 31,004	\$ 31,047
Sigma Defense Systems, LLC (Revolver)	12/18/2025	Telecommunications	12.17 %	1M L+850	1,131	1,131	1,108
Sigma Defense Systems, LLC (Revolver) ⁽⁷⁾	12/18/2025	Telecommunications	—	—	1,845	—	(37)
Signature Systems Holding Company (Revolver) ⁽⁷⁾	05/03/2024	Chemicals, Plastics and Rubber	—	—	2,016	—	(15)
Solutionreach, Inc. (Revolver) ⁽⁷⁾	01/17/2024	Communications	—	—	1,665	—	(40)
Spear Education, LLC	02/26/2025	Education	9.42 %	3M L+575	12,018	11,947	12,018
Spendmend Holdings LLC	03/01/2028	Business Services	8.63 %	1M L+575	9,705	9,581	9,433
Spendmend Holdings LLC ⁽⁷⁾	03/01/2023	Business Services	—	—	2,784	—	(57)
Spendmend Holdings LLC - Funded Revolver	03/01/2028	Business Services	8.63 %	3M L+575	187	187	182
Spendmend Holdings LLC - Unfunded Revolver ⁽⁷⁾	03/01/2028	Business Services	—	—	1,215	—	(34)
System Planning and Analysis, Inc. - (Revolver) ⁽⁷⁾ (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	2,925	—	(47)
The Bluebird Group LLC	07/27/2026	Business Services	10.67 %	3M L+700	4,884	4,796	4,933
The Bluebird Group LLC (Revolver) ⁽⁷⁾	07/27/2026	Business Services	—	—	734	—	7
The Vertex Companies, LLC	08/30/2027	Business Services	8.18 %	3M L+550	1,754	1,737	1,745
The Vertex Companies, LLC ⁽⁷⁾	08/30/2027	Business Services	—	—	466	—	2
The Vertex Companies, LLC (Revolver)	08/30/2027	Business Services	8.26 %	3M L+550	148	148	147
The Vertex Companies, LLC (Revolver) ⁽⁷⁾	08/30/2027	Business Services	—	—	592	—	(3)
TVC Enterprises, LLC	03/26/2026	Transportation	8.87 %	1M L+600	12,864	12,626	12,543
TVC Enterprises, LLC (Revolver) ⁽⁷⁾	03/26/2026	Transportation	—	—	1,370	—	(34)
TWS Acquisition Corporation	06/16/2025	Education	8.76 %	1M L+625	1,143	1,143	1,137
TWS Acquisition Corporation (Revolver) ⁽⁷⁾	06/16/2025	Education	—	—	1,644	—	(8)
Tyto Athene, LLC (Revolver) ⁽⁷⁾	04/01/2026	Aerospace and Defense	—	—	364	—	(26)
Unique Indoor Comfort, LLC	05/24/2027	Home and Office Furnishings	8.95 %	1M L+525	27,233	26,904	26,634
Unique Indoor Comfort, LLC ⁽⁷⁾	05/24/2027	Home and Office Furnishings	—	—	16,140	—	(194)
Unique Indoor Comfort, LLC (Revolver) ⁽⁷⁾	05/24/2027	Home and Office Furnishings	—	—	3,000	—	(66)
Walker Edison Furniture Company LLC	03/31/2027	Home and Office Furnishings	12.42 %	3M L+875	25,368	24,881	16,946
Wildcat Buyerco, Inc.	02/27/2026	Electronics	9.09 %	3M L+575	3,831	3,771	3,716
Wildcat Buyerco, Inc. (Revolver) ⁽⁷⁾	02/27/2026	Electronics	—	—	574	—	(41)
Zips Car Wash, LLC	03/01/2024	Auto Sector	10.13 %	3M L+725	2,627	2,608	2,562
Total First Lien Secured Debt						599,263	588,267
Second Lien Secured Debt—22.2% of Net Assets							
Atlas Purchaser, Inc.	05/07/2029	Telecommunications	11.19 %	3M L+900	17,000	16,551	14,909
Best Practice Associates LLC	06/29/2027	Aerospace and Defense	12.67 %	3M L+900	17,825	17,506	17,290
Burgess Point Purchaser Corporation	07/28/2030	Auto Sector	12.16 %	3M L+900	8,000	7,752	7,680
Data Axle, Inc.	04/03/2024	Other Media	12.92 %	3M L+925	20,400	20,288	20,196
ENC Parent Corporation	08/19/2029	Business Services	11.17 %	3M L+750	7,500	7,432	7,125
Halo Buyer, Inc.	07/06/2026	Consumer Products	11.37 %	1M L+825	32,500	32,164	31,769
Inventus Power, Inc.	09/29/2024	Electronics	12.17 %	3M L+850	16,593	16,387	16,344
QuantifTech LLC	02/04/2027	Aerospace and Defense	12.68 %	3M L+1,000	150	148	148
VT Topco, Inc.	08/17/2026	Business Services	9.87 %	3M L+675	15,000	14,932	14,475
Total Second Lien Secured Debt						133,160	129,936
Subordinated Debt/Corporate Notes—9.1% of Net Assets							
Express Wash Acquisition Company, LLC	01/15/2029	Auto Sector	15.31 %	3M L+1,150	21,000	20,278	20,359
Flock Financial, LLC	05/26/2027	Financial Services	12.50 %	—	34,000	33,190	32,895
Total Subordinated Debt/Corporate Notes						53,468	53,254
Preferred Equity/Partnership Interests—1.3% of Net Assets ⁽⁶⁾							
Ad.net Holdings, Inc. ⁽⁹⁾	—	Media	—	—	2,400	240	267
AH Newco Equityholdings, LLC	—	Healthcare, Education and Childcare	6.00 %	—	211	500	2,127
Anterid Holdings, LP (f/k/a MeritDirect Holdings, LP) ⁽⁹⁾	—	Media	—	—	1,135	1,135	1,427
Imagine Topco, LP	—	Business Services	8.00 %	—	743,826	744	704
Mars Intermediate Holdings II, Inc. ⁽⁹⁾	—	Media	—	—	414	414	484
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	160	160	227
ORL Holdco, Inc.	—	Business Services	—	—	575	57	62
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	12.00 %	—	1,527	1,527	1,932
TPC Holding Company, LP ⁽⁸⁾⁽¹¹⁾	—	Food	—	—	219	219	62
TWD Parent Holdings, LLC	—	Business Services	—	—	30	30	33
(The Vertex Companies, LLC)							
Total Preferred Equity/Partnership Interests						5,026	7,325
Common Equity/Partnership Interests/Warrants—26.2% of Net Assets ⁽⁶⁾							
Ad.net Holdings, Inc. ⁽⁹⁾	—	Media	—	—	2,667	27	35
Affinion Group Holdings, Inc. (Warrants)	04/10/2024	Consumer Products	—	—	77,190	2,126	—
AG Investco LP ⁽⁹⁾	—	Business Services	—	—	805,164	805	1,127
AG Investco LP ^{(7),(9)}	—	Business Services	—	—	194,836	—	—
Altamira Intermediate Company II, Inc.	—	Aerospace and Defense	—	—	125,000	125	79
AMCSI Crash Co-Invest, LP	—	Auto Sector	—	—	2,419,200	2,419	2,470
AMCSI Crash Co-Invest, LP ⁽⁷⁾	—	Auto Sector	—	—	580,800	—	—
Anterid Holdings, LP (f/k/a MeritDirect Holdings, LP) ⁽⁹⁾	—	Media	—	—	1,135	—	270
Athletico Holdings, LLC	—	Healthcare, Education and Childcare	—	—	9,357	10,000	9,516
Atlas Investment Aggregator, LLC ⁽⁹⁾	—	Telecommunications	—	—	1,700,000	1,700	1,219
Burgess Point Holdings, LP	—	Auto Sector	—	—	680	680	690
Cartessa Aesthetics, LLC	—	Distribution	—	—	3,562,500	3,563	3,716
CI (Allied) Investment Holdings, LLC	—	Business Services	—	—	120,962	1,243	1,651
(PRA Events, Inc.) ⁽⁹⁾							
Connatix Parent, LLC	—	Media	—	—	57,416	632	689
Cowboy Parent LLC	—	Distribution	—	—	26,360	2,782	4,011
(Blackhawk Industrial Distribution, Inc.)							

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Issuer Name	Maturity / Expiration	Industry	Current Coupon	Basis Point Spread Above Index ⁽⁴⁾	Par / Shares	Cost	Fair Value ⁽³⁾
Crane I Acquisition Parent Holdings, L.P.	—	Personal, Food and Miscellaneous Services	—	—	113	\$ 104	\$ 122
Delta InvestCo LP (Sigma Defense Systems, LLC) ⁽⁹⁾	—	Telecommunications	—	—	698,889	684	1,425
Delta InvestCo LP ⁽⁷⁾ (Sigma Defense Systems, LLC) ^{(7),(9)}	—	Telecommunications	—	—	442,155	—	—
ECM Investors, LLC ⁽⁹⁾	—	Electronics	—	—	167,537	37	358
eCommission Holding Corporation ⁽¹¹⁾	—	Financial Services	—	—	80	1,005	1,391
Exigo, LLC ⁽⁹⁾	—	Business Services	—	—	1,458,333	1,458	1,288
Express Wash Topco, LLC	—	Auto Sector	—	—	658,000	3,290	3,369
FedHC InvestCo LP ⁽⁹⁾	—	Aerospace and Defense	—	—	14,186	478	1,441
FedHC InvestCo LP ^{(7),(9)}	—	Aerospace and Defense	—	—	6,384	—	—
FedHC InvestCo II LP ⁽⁹⁾	—	Aerospace and Defense	—	—	20,357	2,290	2,253
Gauge Lash Coinvest LLC	—	Consumer Products	—	—	889,376	137	4,208
Gauge Schlesinger Coinvest, LLC	—	Business Services	—	—	9	9	10
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC)	—	Transportation	—	—	810,645	—	3,229
GCOM InvestCo LP ⁽⁹⁾	—	Business Services	—	—	2,434	1,003	587
Go Dawgs Capital III, LP (American Insulated Glass, LLC) ⁽⁹⁾	—	Building Materials	—	—	675,325	675	783
Green Veracity Holdings, LP - Class A (VT Topco, Inc.)	—	Business Services	—	—	15,000	1,500	5,700
Hancock Claims Consultants Investors, LLC ⁽⁹⁾	—	Insurance	—	—	450,000	450	477
HV Watterson Holdings, LLC	—	Business Services	—	—	1,600,000	1,600	1,387
Icon Partners V C, L.P.	—	Business Services	—	—	1,111,111	1,111	1,194
Icon Partners V C, L.P. ^{(7),(9)}	—	Business Services	—	—	388,889	—	—
Imagine Topco, LP	—	Business Services	—	—	743,826	—	—
Infogroup Parent Holdings, Inc. (Data Axle, Inc.)	—	Other Media	—	—	181,495	2,040	3,270
Ironclad Holdco, LLC (Applied Technical Services, LLC) ⁽⁹⁾	—	Environmental Services	—	—	4,566	450	592
ITC Infusion Co-invest, LP	—	Healthcare, Education and Childcare	—	—	113,839	1,138	1,199
ITC Rumba, LLC (Cano Health, LLC) ⁽⁹⁾	—	Healthcare, Education and Childcare	—	—	375,675	8	42,031
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) ⁽⁹⁾	—	Home and Office Furnishings	—	—	2,688	783	—
Kentucky Racing Holdco, LLC (Warrants)	—	Hotels, Motels, Inns and Gaming	—	—	161,252	—	1,774
Kinetic Purchaser, LLC	—	Consumer Products	—	—	1,308,814	1,309	1,854
KL Stockton Co-Invest LP (Any Hour Services) ⁽⁹⁾	—	Personal, Food and Miscellaneous Services	—	—	382,353	382	643
Lariat ecoserv Co-Invest Holdings, LLC ⁽⁹⁾	—	Environmental Services	—	—	363,656	180	1,376
Lightspeed Investment Holdco LLC	—	Healthcare, Education and Childcare	—	—	273,143	273	373
Mars Intermediate Holdings II, Inc. ⁽⁹⁾	—	Media	—	—	414	—	126
MDI Aggregator, LP	—	Chemicals, Plastics and Rubber	—	—	1,925,990	1,930	1,926
Meadowlark Title, LLC ⁽⁹⁾	—	Business Services	—	—	815,385	815	897
Municipal Emergency Services, Inc.	—	Distribution	—	—	3,920,145	3,984	2,990
NEPRT Parent Holdings, LLC (Recteq, LLC) ⁽⁹⁾	—	Consumer Products	—	—	1,299	1,261	243
North Haven Saints Equity Holdings, LP	—	Business Services	—	—	351,553	352	373
NXOF Holdings, Inc. (Tyto Athene, LLC)	—	Aerospace and Defense	—	—	3,261	3	68
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) ⁽⁹⁾	—	Aerospace and Defense	—	—	98,286	979	1,651
OHCP V BC COI, L.P.	—	Distribution	—	—	446,250	446	382
OHCP V BC COI, L.P. ^{(7),(9)}	—	Distribution	—	—	303,750	—	(44)
Oral Surgery (ITC) Holdings, LLC ⁽⁹⁾	—	Healthcare, Education and Childcare	—	—	2,904	63	173
ORL Holdco, Inc.	—	Business Services	—	—	638	6	113
PennantPark-TSO Senior Loan Fund II, LP	—	Financial Services	—	—	15,038,871	15,039	15,571
Pink Lily Holdco, LLC ⁽⁹⁾	—	Retail	—	—	1,044	1,044	550
Pragmatic Institute, LLC	—	Business Services	—	—	1,918,047	1,918	1,918
QuantiTech InvestCo LP ⁽⁹⁾	—	Aerospace and Defense	—	—	712	68	352
QuantiTech InvestCo LP ^{(7),(9)}	—	Aerospace and Defense	—	—	955	—	—
QuantiTech InvestCo II LP ⁽⁹⁾	—	Aerospace and Defense	—	—	40	25	24
RFMG Parent, LP (Rancho Health MSO, Inc.)	—	Healthcare, Education and Childcare	—	—	1,050,000	1,050	1,090
SBI Holdings Investments LLC (Sales Benchmark Index LLC)	—	Business Services	—	—	36,585	366	359
Seaway Topco, LP	—	Chemicals, Plastics and Rubber	—	—	2,981	2,981	2,981
Signature CR Intermediate Holdco, Inc.	—	Chemicals, Plastics and Rubber	—	—	80	80	—
SP I.2 Holdings, LLC	—	Consumer Products	—	—	881,966	882	913
SSC Dominion Holdings, LLC Class A (US Dominion, Inc.)	—	Electronics	—	—	1,500	1,500	2,041
SSC Dominion Holdings, LLC Class B (US Dominion, Inc.)	—	Electronics	—	—	1,500	—	4,389
StellPen Holdings, LLC (CF512, Inc.)	—	Media	—	—	153,846	154	152
TAC LifePort Holdings, LLC ⁽⁹⁾	—	Aerospace and Defense	—	—	232,558	233	296

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Tower Arch Infolinks Media, LP ⁽⁹⁾	—	Media	—	—	531,293	\$ 511	\$ 896
Tower Arch Infolinks Media, LP ^{(7),(9)}	—	Media	—	—	364,151	—	—
TPC Holding Company, LP ^{(8),(11)}	—	Food	—	—	11,527	12	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC)	—	Business Services	—	—	608	1	—
U.S. Well Services, Inc. - Class A ^{(5),(11)}	—	Oil and Gas	—	—	60,057	3,022	304
UniVista Insurance ⁽⁹⁾	—	Business Services	—	—	400	382	454
WCP Ivyrehab QP CF Feeder, LP	—	Healthcare, Education and Childcare	—	—	3,762,257	3,762	3,762
WCP Ivyrehab QP CF Feeder, LP - Unfunded ⁽⁷⁾	—	Healthcare, Education and Childcare	—	—	237,743	—	—
Wildcat Parent, LP (Wildcat Buyerco, Inc.)	—	Electronics	—	—	2,314	231	616
Total Common Equity/Partnership Interests/Warrants						91,596	153,373
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						882,513	932,155
Investments in Non-Controlled, Affiliated Portfolio Companies—5.9% of Net Assets ^{(1),(2)}							
Preferred Equity/Partnership Interests—5.6% of Net Assets ⁽⁶⁾							
Cascade Environmental Holdings, LLC ⁽⁹⁾	—	Environmental Services	—	—	5,887,236	32,791	32,791
Total Preferred Equity/Partnership Interests						32,791	32,791
Common Equity/Partnership Interests/Warrants—0.3% of Net Assets ⁽⁶⁾							
Cascade Environmental Holdings, LLC	—	Environmental Services	—	—	7,444,347	2,852	—
JF Intermediate, LLC	—	Distribution	—	—	19,687	1,969	1,969
Total Common Equity/Partnership Interests/Warrants						4,821	1,969
Total Investments in Non-Controlled, Affiliated Portfolio Companies						37,612	34,760
Investments in Controlled, Affiliated Portfolio Companies—44.3% of Net Assets ^{(1),(2)}							
First Lien Secured Debt—7.3% of Net Assets							
AKW Holdings Limited ^{(9),(10),(11)}	03/13/2024	Healthcare, Education and Childcare	8.67 %	3M L+700	£ 38,250	52,792	42,698
Total First Lien Secured Debt						52,792	42,698
Second Lien Secured Debt—0% of Net Assets							
Mailsouth Inc.	04/23/2025	Printing and Publishing	—	—	12,846	12,383	—
Total Second Lien Secured Debt						12,383	—
Subordinated Debt—15.0% of Net Assets							
PennantPark Senior Loan Fund, LLC ⁽¹¹⁾	07/31/2027	Financial Services	10.79 %	3M L+800	88,011	88,011	88,011
Total Subordinated Debt						88,011	88,011
Common Equity—22.0% of Net Assets ⁽⁶⁾							
AKW Holdings Limited ^{(8),(10),(11)}	—	Healthcare, Education and Childcare	—	—	£ 950	132	3,297
MSpark, LLC	—	Printing and Publishing	—	—	51,151	16,516	—
PennantPark Senior Loan Fund, LLC	—	Financial Services	—	—	49,298,789	49,362	51,098
RAM Energy Holdings LLC ⁽⁹⁾	—	Energy and Utilities	—	—	180,805	162,708	74,282
Total Common Equity						228,718	128,677
Total Investments in Controlled, Affiliated Portfolio Companies						381,904	259,386
Total Investments—209.4% of Net Assets						1,302,029	1,226,301
Cash and Cash Equivalents—9.0% of Net Assets							
BlackRock Federal FD Institutional 30						39,122	39,122
BNY Mellon Cash Reserve and Cash						13,722	13,544
Total Cash and Cash Equivalents						52,844	52,666
Total Investments and Cash Equivalents—218.4% of Net Assets						\$ 1,354,873	\$ 1,278,967
Liabilities in Excess of Other Assets—(118.4%) of Net Assets							(693,402)
Net Assets—100.0%							\$ 585,565

- The provisions of the 1940 Act classify investments based on the level of control that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally presumed to be “non-controlled” when we own 25% or less of the portfolio company’s voting securities and “controlled” when we own more than 25% of the portfolio company’s voting securities.
- The provisions of the 1940 Act classify investments further based on the level of ownership that we maintain in a particular portfolio company. As defined in the 1940 Act, a company is generally deemed as “non-affiliated” when we own less than 5% of a portfolio company’s voting securities and “affiliated” when we own 5% or more of a portfolio company’s voting securities (See Note 6).
- Valued based on our accounting policy (See Note 2).
- Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable London Interbank Offered Rate, or LIBOR or “L,” the Euro Interbank Offered Rate, or EURIBOR or “E”, Secured Overnight Financing Rate or “SOFR”, or Prime rate, or “P.” The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 90-day or 180-day LIBOR rate (1M L, 3M L, or 6M L, respectively), and EURIBOR loans are typically indexed to a 90-day EURIBOR rate (3M E), at the borrower’s option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes payment-in-kind, or PIK, interest and other fee rates, if any.
- The security was not valued using significant unobservable inputs. The value of all other securities was determined using significant unobservable inputs (See Note 5).
- Non-income producing securities.
- Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.
- Non-U.S. company or principal place of business outside the United States.
- Investment is held through our Taxable Subsidiary (See Note 1).
- Par / Shares amount is denominated in British Pounds (£) as denoted.
- The investment is treated as a non-qualifying asset under Section 55(a) of the 1940 Act. Under the 1940 Act, we may not acquire any non-qualifying asset unless, at the time the acquisition is made, qualifying assets represent at least 70% of our total assets. As of September 30, 2022, qualifying assets represent 88% of the Company’s total assets and non-qualifying assets represent 12% of the Company’s total assets.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

PennantPark Investment Corporation was organized as a Maryland corporation in January 2007. We are a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. Our investment objective is to generate both current income and capital appreciation while seeking to preserve capital through debt and equity investments. We invest primarily in U.S. middle-market companies in the form of first lien secured debt, second lien secured debt, subordinated debt and, to a lesser extent, equity investments. On April 24, 2007, we closed our initial public offering. On April 14, 2022, trading of the Company's common stock commenced on the New York Stock Exchange after the Company voluntarily withdrew the principal listing of its common stock from the Nasdaq Stock Market LLC effective at market close on April 13, 2022. Our common stock trades on the New York Stock Exchange under the symbol "PNNT."

We have entered into an investment management agreement, or the Investment Management Agreement, with the Investment Adviser, an external adviser that manages our day-to-day operations. PennantPark Investment, through the Investment Adviser, manages the day-to-day operations of, and provides investment advisory services to, SBIC II under a separate investment management agreement. We have also entered into an administration agreement, or the Administration Agreement, with the Administrator, which provides the administrative services necessary for us to operate. PennantPark Investment, through the Administrator, also provides similar services to SBIC II under a separate administration agreement. See Note 3.

SBIC II, our wholly-owned subsidiary, was organized as a Delaware limited partnership in 2012. SBIC II received a license from the SBA to operate as a SBIC under Section 301(c) of the 1958 Act. SBIC II's objectives are to generate both current income and capital appreciation through debt and equity investments generally by investing with us in SBA-eligible businesses that meet the investment selection criteria used by PennantPark Investment.

On July 31, 2020, we and certain entities and managed accounts of the private credit investment manager of Pantheon Ventures (UK) LLP, or Pantheon, entered into a limited liability company agreement to co-manage PSLF, a newly-formed unconsolidated joint venture. In connection with this transaction, we contributed in-kind our formerly wholly-owned subsidiary, Funding I. As a result of this transaction, Funding I became a wholly-owned subsidiary of PSLF and was deconsolidated from our financial statements. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. See Note 4.

We have formed the Taxable Subsidiary, which is subject to tax as a corporation. The Taxable Subsidiary allows us to hold equity securities of certain portfolio companies treated as pass-through entities for federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

In January 2022, we funded PennantPark-TSO Senior Loan Fund II LP, ("PTSF II"), an unconsolidated Delaware limited partnership. We sold \$82.3 million in investments to a wholly-owned subsidiary of PTSF II in exchange for cash in the amount of \$75.7 million and an \$6.6 million equity interest in PTSF II representing 23.1% of the total outstanding Class A Units of PTSF II. We recognized \$0.2 million of realized gain upon the formation of PTSF II. As of December 31, 2022, our capital commitment of \$15.0 million is 100% funded and we hold 23.1% of the total outstanding Class A Units of PTSF II and a 4.99% voting interest in the general partner which manages PTSF II.

We are operated by a person who has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and the Investment Adviser intends to continue to affirm the exclusion on an annual basis, and therefore, is not subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The preparation of our Consolidated Financial Statements, in conformity with U.S. generally accepted accounting principles, or GAAP requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Changes in the economic and regulatory environment, financial markets, the credit worthiness of our portfolio companies and any other parameters used in determining these estimates and assumptions could cause actual results to differ from such estimates and assumptions. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions in consolidation. References to the Financial Accounting Standards Board's, or FASB's, Accounting Standards Codification, as amended, or ASC, serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued.

Our Consolidated Financial Statements are prepared in accordance with GAAP, consistent with ASC Topic 946, Financial Services – Investment Services – Investment Companies, and pursuant to the requirements for reporting on Form 10-K/Q and Articles 6, 10 and 12 of Regulation S-X, as appropriate. In accordance with Article 6-09 of Regulation S-X, we have provided a Consolidated Statement of Changes in Net Assets in lieu of a Consolidated Statement of Changes in Stockholders' Equity.

Our significant accounting policies consistently applied are as follows:

(a) Investment Valuations

We expect that there may not be readily available market values for many of the investments which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material. See Note 5.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the portfolio investment;

- (2) Preliminary valuation conclusions are then documented and discussed with the management of the Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management's preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of the Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If our board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

(b) Security Transactions, Revenue Recognition, and Realized/Unrealized Gains or Losses

Security transactions are recorded on a trade-date basis. We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering prepayment penalties. Net change in unrealized appreciation or depreciation reflects, as applicable, the change in the fair values of our portfolio investments and the Credit Facility during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, original issue discount, or OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties earned on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

Loans are placed on non-accrual status when principal or interest payments are past due 30 days or more and/or if there is reasonable doubt that principal or interest will be collected. Accrued interest is generally reversed when a loan is placed on non-accrual status. Interest payments received on non-accrual loans may be recognized as income or applied to principal depending upon management's judgment. Non-accrual loans are restored to accrual status when past due principal and interest is paid and, in management's judgment, are likely to remain current. As of December 31, 2022, we had two portfolio companies on non-accrual, representing 2.7% and 1.1% of our overall portfolio on a cost and fair value basis, respectively. As of September 30, 2022, we had one portfolio company on non-accrual, representing 1.0% and zero percent of our overall portfolio on a cost and fair value basis, respectively.

(c) Income Taxes

We have complied with the requirements of Subchapter M of the Code and have qualified to be treated as a RIC for federal income tax purposes. In this regard, we account for income taxes using the asset and liability method prescribed by ASC Topic 740, Income Taxes, or ASC 740. Under this method, income taxes are provided for amounts currently payable and for amounts deferred as tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Based upon our qualification and election to be treated as a RIC for U.S. federal income tax purposes, we typically do not incur material federal income taxes. However, we may choose to retain a portion of our calendar year income, which may result in the imposition of an excise tax. Additionally, certain of the Company's consolidated subsidiaries are subject to federal, state and local income taxes. For the three months ended December 31, 2022 and 2021, we recorded a provision for taxes on net investment income of \$2.0 million and \$0.2 million respectively, which pertains to U.S. federal excise tax.

We recognize the effect of a tax position in our Consolidated Financial Statements in accordance with ASC 740 when it is more likely than not, based on the technical merits, that the position will be sustained upon examination by the applicable tax authority. Tax positions not considered to satisfy the "more-likely-than-not" threshold would be recorded as a tax expense or benefit. Penalties or interest, if applicable, that may be assessed relating to income taxes would be classified as other operating expenses in the financial statements. There were no tax accruals relating to uncertain tax positions and no amounts accrued for any related interest or penalties with respect to the periods presented herein. The Company's determinations regarding ASC 740 may be subject to review and adjustment at a later date based upon factors including, but not limited to, an on-going analysis of tax laws, regulations and interpretations thereof. Although the Company files both federal and state income tax returns, the Company's major tax jurisdiction is federal.

The Taxable Subsidiary (PNNT Investment Holdings, LLC, a second-tier wholly-owned subsidiary of the Company) is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company's consolidated financial statements.

For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of zero, respectively, on net realized gain on investments by the Taxable Subsidiary. For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of \$(0.9) million and \$5.0, respectively, on net unrealized gain (loss) on investments by the Taxable Subsidiary. The provision for taxes on net realized and unrealized gains on investments is the result of netting (i) the expected tax liability on the gains from the sales of investments which is likely to be realized and unrealized during fiscal year ending September 30, 2023 and (ii) the expected tax benefit resulting from the use of loss carryforwards to offset such gains. As of December 31, 2022 and September 30, 2022, the Company recognized a provision for taxes of \$2.2 million and \$7.1 million on net realized and unrealized gains on investments by the Taxable Subsidiary.

During the three months ended December 31, 2022 and 2021, the Company paid zero, respectively, in federal taxes on realized gains on the sale of investments held by the Taxable Subsidiary. Due to offsetting losses in the year ended September 30, 2022, the \$4.0 million is shown on the consolidated statement of assets and liabilities under prepaid expenses and other assets. The state and local tax liability of \$6.2 million as of December 31, 2022 is included under accrued other expenses in the consolidated statement of assets and liabilities.

We operate in a manner to maintain our election to be subject to tax as a RIC and to eliminate corporate-level U.S. federal income tax (other than the 4% excise tax) by distributing sufficient investment company taxable income and capital gain net income (if any). As a result, we will have an effective tax rate equal to 0% before the excise tax and income taxes incurred by the Taxable Subsidiary. As such, a reconciliation of the differences between our reported income tax expense and its tax expense at the federal statutory rate of 21% is not meaningful.

Because federal income tax regulations differ from GAAP, distributions characterized in accordance with tax regulations may differ from net investment income and net realized gains recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

(d) Distributions and Capital Transactions

Distributions to common stockholders are recorded on the ex-dividend date. The amount to be paid, if any, as a distribution is determined by our board of directors each quarter and is generally based upon the earnings estimated by management. Net realized capital gains, if any, are distributed at least annually. The tax attributes for distributions will generally include ordinary income and capital gains but may also include certain tax-qualified dividends and/or a return of capital.

Capital transactions, in connection with our dividend reinvestment plan or through offerings of our common stock, are recorded when issued and offering costs are charged as a reduction of capital upon issuance of our common stock.

(e) Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair values of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

Foreign security and currency translations may involve certain considerations and risks not typically associated with investing in U.S. companies and U.S. government securities. These risks include, but are not limited to, currency fluctuations and revaluations and future adverse political, social and economic developments, which could cause investments in foreign markets to be less liquid and prices to be more volatile than those of comparable U.S. companies or U.S. government securities.

(f) Consolidation

As permitted under Regulation S-X and as explained by ASC paragraph 946-810-45-3, PennantPark Investment will generally not consolidate its investment in a company other than an investment company subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, we have consolidated the results of our SBIC Funds and our Taxable Subsidiary in our Consolidated Financial Statements. We do not consolidate our non-controlling interests in PSLF or PTSF II. See further description of our investment in PSLF in Note 4.

(g) Asset Transfers and Servicing

Asset transfers that do not meet ASC Topic 860, Transfers and Servicing, requirements for sale accounting treatment are reflected in the Consolidated Statements of Assets and Liabilities and the Consolidated Schedules of Investments as investments.

(h) Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update, or ASU, No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 during the year ended September 30, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto. The Company continues to evaluate the potential impact that the amendments in this update will have on its consolidated financial statements and disclosures.

In March 2022, the FASB issued ASU 2022-02, "Financial Instruments - Credit Losses (Topic 326)", which is intended to address issues identified during the post-implementation review of ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The amendment, among other things, eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, "Receivables - Troubled Debt Restructurings by Creditors", while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The new guidance is effective for interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact of the adoption of ASU 2022-02 on its consolidated financial statement and disclosures, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale

restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

3. AGREEMENTS AND RELATED PARTY TRANSACTIONS

(a) *Investment Management Agreement*

The Investment Management Agreement with the Investment Adviser was reapproved by our board of directors, including a majority of our directors who are not interested persons of us or the Investment Adviser, in February 2023. Under the Investment Management Agreement, the Investment Adviser, subject to the overall supervision of our board of directors, manages the day-to-day operations of and provides investment advisory services to, us. The Investment Adviser serves as the servicer to Funding I and has irrevocably directed that the management fee owed to it with respect to such services be paid to the Company so long as the Investment Adviser remains the servicer. SBIC II's investment management agreement does not affect the management or incentive fees that we pay to the Investment Adviser on a consolidated basis. For providing these services, the Investment Adviser receives a fee from us, consisting of two components—a base management fee and an incentive fee or, collectively, Management Fees.

Base Management Fee

The base management fee is calculated at an annual rate of 1.50% of our "average adjusted gross assets," which equals our gross assets (exclusive of U.S. Treasury Bills, temporary draws under any credit facility, cash and cash equivalents, repurchase agreements or other balance sheet transactions undertaken at the end of a fiscal quarter for purposes of preserving investment flexibility for the next quarter and unfunded commitments, if any) and is payable quarterly in arrears. In addition, on November 13, 2018, in connection with our board of directors' approval of the application of the modified asset coverage requirements under the 1940 Act to the Company, our board of directors also approved an amendment to the Investment Management Agreement reducing the Investment Adviser's annual base management fee from 1.50% to 1.00% on gross assets that exceed 200% of the Company's total net assets as of the immediately preceding quarter-end. This amendment became effective on February 5, 2019 with the amendment and restatement of the Investment Management Agreement on April 12, 2019. The base management fee is calculated based on the average adjusted gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For example, if we sold shares on the 45th day of a quarter and did not use the proceeds from the sale to repay outstanding indebtedness, our gross assets for such quarter would give effect to the net proceeds of the issuance for only 45 days of the quarter during which the additional shares were outstanding. For the three months ended December 31, 2022 and 2021, the Investment Adviser earned base management fees of \$4.6 million and \$5.1 million, respectively, from us.

Incentive Fee

The incentive fee has two parts, as follows:

One part is calculated and payable quarterly in arrears based on our Pre-Incentive Fee Net Investment Income for the immediately preceding calendar quarter. For this purpose, Pre-Incentive Fee Net Investment Income means interest income, dividend income and any other income, including any other fees (other than fees for providing managerial assistance), such as amendment, commitment, origination, prepayment penalties, structuring, diligence and consulting fees or other fees received from portfolio companies, accrued during the calendar quarter, minus our operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense or amendment fees under any credit facility and distribution paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero-coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Net Investment Income, expressed as a percentage of the value of our net assets at the end of the immediately preceding calendar quarter, is compared to the hurdle rate of 1.75% per quarter (7.00% annualized). We pay the Investment Adviser an incentive fee with respect to our Pre-Incentive Fee Net Investment Income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.75%, (2) 100% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.1212% in any calendar quarter (8.4848% annualized), and (3) 17.5% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1212% in any calendar quarter. These calculations are pro-rated for any share issuances or repurchases during the relevant quarter, if applicable.

For the three months ended December 31, 2022 and 2021, the Investment Adviser earned \$2.2 million and \$2.7 million, respectively, in incentive fees on net investment income from us.

The second part of the incentive fee is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date) and, effective January 1, 2018, equals 17.5% of our realized capital gains; (20.0% for periods prior to January 1, 2018), if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. For each of the three months ended December 31, 2022 and 2021, the Investment Adviser did not accrue an incentive fee on capital gains as calculated under the Investment Management Agreement (as described above).

Under GAAP, we are required to accrue a capital gains incentive fee based upon net realized capital gains and net unrealized capital appreciation and depreciation on investments held at the end of each period. In calculating the capital gains incentive fee accrual, we considered the cumulative aggregate unrealized capital appreciation in the calculation, as a capital gains incentive fee would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee actually payable under the Investment Management Agreement. This accrual is calculated using the aggregate cumulative realized capital gains and losses and cumulative unrealized capital appreciation or depreciation. If such amount is positive at the end of a period, then we record a capital gains incentive fee equal to 17.5% of such amount, less the aggregate amount of actual capital gains related to incentive fees paid in all prior years, if any. If such amount is negative, then there is no accrual for such year. There can be no assurance that such unrealized capital appreciation will be realized in the future. For each of the three months ended December 31, 2022, and 2021, the Investment Adviser did not accrue an incentive fee on capital gains as calculated under GAAP.

(b) *Administration Agreement*

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)
December 31, 2022

The Administration Agreement with the Administrator was reapproved by our board of directors, including a majority of our directors who are not interested persons of us, in February 2023. Under the Administration Agreement, the Administrator provides administrative services and office facilities to us. The Administrator provides similar services to SBIC II under its administration agreement with PennantPark Investment. For providing these services, facilities and personnel, we have agreed to reimburse the Administrator for its allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. The amount billed by the Administrator may include credits related to its administrative agreement with PSLF. The Administrator also offers, on our behalf, significant managerial assistance to portfolio companies to which we are required to offer such assistance. Reimbursement for certain of these costs is included in administrative services expenses in the Consolidated Statements of Operations. For the three months ended December 31, 2022 and 2021, we reimbursed the Investment Administrator approximately \$0.3 million and \$0.2 million, respectively, for the services described above.

On July 1, 2022, the Administration Agreement with the Administrator was amended to clarify that the Administrator may be reimbursed by the Company for certain (i) tax and general legal advice and/or services provided to the Company by in-house professionals of the Administrator related to ongoing operations of the Company; and (ii) transactional legal advice and/or services provided to the Company or portfolio companies by in-house professionals of the Administrator or its affiliates on matters related to potential or actual investments and transactions, including tax structuring and/or due diligence.

(c) Other Related Party Transactions

There were no transactions subject to Rule 17a-7 under the 1940 Act during each of the three months ended December 31, 2022 and 2021.

For the three months ended December 31, 2022 and 2021 we sold zero and \$48.1 million in investments to PSLF at fair value, respectively, and recognized zero and \$0.1 million of net realized gains, respectively.

For the three months ended December 31, 2022 and 2021, we sold zero in investments to PTSF II at fair value, respectively, and recognized zero of net realized gains, respectively.

4. INVESTMENTS

Purchases of investments, including PIK interest, for the three months ended December 31, 2022 and 2021 totaled \$86.2 million and \$295.1 million, respectively. Sales and repayments of investments for the three months ended December 31, 2022 and 2021 totaled \$30.6 million and \$132.2 million, respectively.

Investments and cash and cash equivalents consisted of the following:

Investment Classification (\$ in thousands)	December 31, 2022		September 30, 2022	
	Cost	Fair Value	Cost	Fair Value
First lien	\$ 686,122	\$ 661,269	\$ 652,055	\$ 630,965
Second lien	148,426	130,757	145,542	129,936
Subordinated debt / corporate notes	53,519	53,245	53,468	53,255
Subordinated notes in PSLF	95,351	95,351	88,011	88,011
Equity	325,963	201,607	313,591	273,036
Equity in PSLF	54,121	53,806	49,362	51,098
Total investments	1,363,502	1,196,035	1,302,029	1,226,301
Cash and cash equivalents	28,558	28,556	52,844	52,666
Total investments and cash and cash equivalents	\$ 1,392,060	\$ 1,224,591	\$ 1,354,873	\$ 1,278,967

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)
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The table below describes investments by industry classification and enumerates the percentage, by fair value, of the total portfolio assets (excluding cash and cash equivalents) in such industries as of:

Industry Classification	December 31, 2022		September 30, 2022	
Business Services	19	%	18	%
Healthcare, Education and Childcare	10		12	
Consumer Products	9		8	
Distribution	5		5	
Financial Services	5		5	
Home and Office Furnishings	5		4	
Telecommunications	5		5	
Auto Sector	4		3	
Chemicals, Plastics and Rubber	4		3	
Environmental Services	4		3	
Media	4		4	
Aerospace and Defense	3		3	
Electronics	3		3	
Energy and Utilities	3		7	
Personal, Food and Miscellaneous Services	3		1	
Building Materials	2		2	
Hotels, Motels, Inns and Gaming	2		2	
Other Media	2		2	
Transportation	2		2	
Cargo Transport	1		1	
Education	1		2	
Insurance	1		1	
Manufacturing / Basic Industries	1		1	
Personal and Non-Durable Consumer Products	1		1	
Other	1		2	
Total	100	%	100	%

(1) Excludes investments in PSLF.

PennantPark Senior Loan Fund, LLC

In July 2020, we and Pantheon formed PSLF, an unconsolidated joint venture. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. As of December 31, 2022 and September 30, 2022, PSLF had total assets of \$776.9 million and \$781.3 million, respectively and its investment portfolio consisted of debt investments in 83 and 80 portfolio companies, respectively. As of December 31, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$19.8 million and the five largest investments totaled \$98.0 million. As of September 30, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$19.9 million and the five largest investments totaled \$98.5 million. PSLF invests in portfolio companies in the same industries in which we may directly invest.

We and Pantheon provide capital to PSLF in the form of subordinated notes and equity interests. As of December 31, 2022 and September 30, 2022, we and Pantheon owned 60.5% and 39.5%, respectively, of each of the outstanding subordinated notes and equity interests of PSLF. As of December 31, 2022 and September 30, 2022 our investment in PSLF consisted of subordinated notes of \$95.4 million (additional \$20.5 million unfunded) and \$88.0 million (additional \$27.9 million unfunded), respectively, and equity interests of \$59.0 million (additional \$13.3 million unfunded) and \$54.8 million (additional \$18.3 million unfunded), respectively.

We and Pantheon each appointed two members to PSLF's four-person Member Designees' Committee, or the Member Designees' Committee. All material decisions with respect to PSLF, including those involving its investment portfolio, require unanimous approval of a quorum of the Member Designees' Committee. Quorum is defined as (i) the presence of two members of the Member Designees' Committee; provided that at least one individual is present that was elected, designated or appointed by each of us and Pantheon; (ii) the presence of three members of the Member Designees' Committee, provided that the individual that was elected, designated or appointed by each of us or Pantheon, as the case may be, with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Member Designees' Committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each of us and Pantheon.

Additionally, PSLF, through its wholly-owned subsidiary, or PSLF Subsidiary, has entered into a \$225.0 million (reduced from \$275.0 million on March 2, 2022) senior secured revolving credit facility, or the PSLF Credit Facility, with BNP Paribas, which bears interest at SOFR (or an alternative risk-free interest rate index) plus 255 basis points during the investment period and is subject to leverage and borrowing base restrictions.

In March 2022, PSLF completed a \$304.0 million debt securitization in the form of a collateralized loan obligation, or the "2034 Asset-Backed Debt". The 2034 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO IV, LLC., a wholly-owned and consolidated subsidiary of PSLF, consisting primarily of middle market loans and participation interests in middle market loans. The 2034 Asset-Backed Debt is scheduled to mature in April 2034. On the closing date of the transaction, in consideration of PSLF's transfer to PennantPark CLO IV, LLC. of the initial closing date loan portfolio, which included loans distributed to PSLF by certain of its wholly owned subsidiaries and us, PennantPark CLO IV, LLC. transferred to PSLF 100% of the Preferred Shares of PennantPark CLO IV, LLC. and 100% of the Subordinated Notes issued by PennantPark CLO IV, LLC.

Below is a summary of PSLF's portfolio at fair value:

(\$ in thousands)	December 31, 2022		September 30, 2022	
Total investments	\$	734,690	\$	730,108
Weighted average cost yield on income producing investments		10.6 %		9.4 %
Number of portfolio companies in PSLF		83		80
Largest portfolio company investment at fair value	\$	19,846	\$	19,906
Total of five largest portfolio company investments at fair value	\$	97,994	\$	98,502

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
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December 31, 2022

Below is a listing of PSLF's individual investments as of December 31, 2022 (\$ in thousands)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 826.1%							
Ad.net Acquisition, LLC	5/6/2026	Media	10.84 %	3M L+600	4,925	\$ 4,925	\$ 4,888
Alpine Acquisition Corp II	11/30/2026	Containers, Packaging and Glass	8.69 %	3M L+800	14,975	14,604	14,376
Altamira Technologies, LLC	7/24/2025	Aerospace and Defense	10.24 %	3M L+550	859	852	844
American Insulated Glass, LLC	12/21/2023	Building Materials	8.25 %	3M L+575	19,846	19,817	19,846
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	6/10/2025	Media	10.98 %	1M L+550	14,067	13,946	13,786
Anteriad, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media	10.23 %	3M L+550	14,964	14,891	14,964
Any Hour Services	7/21/2027	Personal, Food and Miscellaneous Services	10.17 %	3M L+575	9,902	9,894	9,629
Apex Service Partners, LLC	7/31/2025	Personal, Food and Miscellaneous Services	9.47 %	3M L+575	6,569	6,507	6,536
Apex Service Partners, LLC Term Loan B	7/31/2025	Personal, Food and Miscellaneous Services	9.63 %	3M L+550	3,323	3,300	3,307
Apex Service Partners, LLC - Term Loan C	7/31/2025	Personal, Food and Miscellaneous Services	6.50 %	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/2026	Environmental Services	10.48 %	3M L+500	8,804	8,713	8,583
Arcfield Acquisition Corp.	3/7/2028	Aerospace and Defense	10.02 %	3M L+575	11,940	11,733	11,701
Beta Plus Technologies, Inc.	7/1/2029	Business Services	8.87 %	1M L+525	15,000	14,708	14,850
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	9.50 %	3M L+600	17,951	17,761	17,555
Broder Bros., Co.	12/4/2025	Personal and Non-Durable Consumer Products	10.73 %	3M L+600	9,937	9,937	9,937
Burgess Point Purchaser Corporation	9/26/2029	Auto Sector	9.67 %	SOFR+525	900	838	812
Cartessa Aesthetics, LLC	5/13/2028	Distribution	10.58 %	3M L+600	17,413	17,097	17,238
CF512, Inc.	8/20/2026	Media	9.08 %	3M L+575	2,977	2,952	2,918
Connatix Buyer, Inc.	7/13/2027	Media	10.14 %	1M L+550	8,999	8,983	8,707
Dr. Squatch, LLC	8/31/2027	Personal and Non-Durable Consumer Products	10.48 %	3M L+475	6,419	6,412	6,322
DRI Holding Inc.	12/21/2028	Media	9.63 %	3M L+575	4,415	3,951	3,781
DRS Holdings III, Inc.	11/3/2025	Consumer Products	10.48 %	3M L+600	14,670	14,598	14,201
Duraco Specialty Tapes LLC	6/30/2024	Manufacturing / Basic Industries	9.89 %	3M L+575	8,118	8,006	7,989
ECL Entertainment, LLC	5/1/2028	Hotels, Motels, Inns and Gaming	11.88 %	3M L+500	4,546	4,546	4,531
ECM Industries, LLC	12/23/2025	Electronics	9.48 %	3M L+600	2,808	2,752	2,675
Electro Rent Corporation	1/17/2024	Electronics	10.27 %	3M L+550	4,600	4,398	4,416
Exigo Intermediate II, LLC	3/15/2027	Business Services	9.82 %	1M L+575	9,925	9,799	9,727
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	9.48 %	6M L+475	796	751	755
Global Holdings InterCo LLC	3/16/2026	Banking, Finance, Insurance & Real Estate	10.19 %	3M L+600	7,343	7,314	7,013
Graffiti Buyer, Inc.	8/10/2027	Distribution	10.23 %	3M L+550	1,969	1,935	1,890
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	10.23 %	1M L+575	6,833	6,833	6,696
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	1M L+800	19,865	19,494	19,467
HV Watterson Holdings, LLC	12/17/2026	Business Services	10.73 %	3M L+600	15,217	15,021	14,426
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+700	14,325	14,209	14,146
Icon Partners III, LP	5/11/2028	Auto Sector	8.82 %	3M L+475	2,322	2,002	1,558
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	11.23 %	3M L+750	17,356	17,124	16,749
IG Investments Holdings, LLC	9/22/2028	Business Services	10.38 %	1M L+575	4,462	4,380	4,395
Imagine Acquisitionco, LLC	11/15/2027	Business Services	10.14 %	3M L+625	5,608	5,511	5,440
Inception Fertility Ventures, LLC	12/7/2023	Healthcare, Education and Childcare	11.95 %	3M L+550	19,900	19,557	19,502
Infolinks Media Buyco, LLC	11/1/2026	Media	10.23 %	1M L+550	6,412	6,412	6,412
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	9.33 %	3M L+575	19,952	19,872	19,652
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	12.07 %	3M L+550	13,543	13,449	13,543
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	10.23 %	3M L+500	2,132	2,124	2,102
Lash OpCo, LLC	2/18/2027	Consumer Products	11.17 %	1M L+650	19,925	19,731	19,526
Lightspeed Buyer Inc.	2/3/2026	Healthcare, Education and Childcare	9.57 %	3M L+475	12,313	12,101	12,005
MAG DS Corp.	4/1/2027	Aerospace and Defense	10.23 %	3M L+550	5,555	5,133	5,055
Magenta Buyer, LLC	7/31/2028	Software	9.17 %	3M L+500	3,814	3,558	3,246
Mars Acquisition Holdings Corp.	5/14/2026	Media	10.23 %	1M L+625	7,900	7,843	7,821
MBS Holdings, Inc.	4/16/2027	Telecommunications	10.13 %	3M L+575	7,388	7,309	7,314
Meadowlark Acquirer, LLC	12/10/2027	Business Services	8.96 %	3M L+575	2,975	2,921	2,946
Municipal Emergency Services, Inc.	9/28/2027	Distribution	8.67 %	3M L+550	4,143	4,085	3,978
NBH Group LLC	8/19/2026	Healthcare, Education and Childcare	9.05 %	3M L+575	7,486	7,411	7,486
Owl Acquisition, LLC	2/4/2028	Education	8.41 %	3M L+550	3,980	3,865	3,881
Ox Two, LLC (New Issue)	5/18/2026	Distribution	10.84 %	1M L+650	4,950	4,900	4,801
PL Acquisitionco, LLC	11/9/2027	Retail	10.88 %	1M L+575	8,613	8,471	8,397
PlayPower, Inc.	5/8/2026	Consumer Products	12.00 %	1M L+525	2,572	2,485	2,238
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	10.94 %	1M L+600	3,348	3,290	3,274
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense	0.00 %	3M L+625	56	-	-
Radius Aerospace, Inc.	3/31/2025	Aerospace and Defense	9.87 %	3M L+600	12,744	12,650	12,489
Rancho Health MSO, Inc.	12/18/2025	Healthcare, Education and Childcare	9.42 %	1M L+450	5,167	5,167	5,167
Reception Purchaser, LLC	2/28/2028	Transportation	10.42 %	SOFR+600	4,963	4,893	4,764
Recteq, LLC	1/29/2026	Consumer Products	10.98 %	3M L+700	9,825	9,701	9,481
Research Now Group, LLC and Dynata, LLC	12/20/2024	Business Services	8.84 %	1M L+550	14,542	14,452	10,776
Riverpoint Medical, LLC	6/20/2025	Healthcare, Education and Childcare	9.73 %	3M L+525	3,192	3,174	3,109
Riverside Assessments, LLC	3/10/2025	Education	10.48 %	1M L+575	9,923	9,855	9,750
Sales Benchmark Index LLC	1/3/2025	Business Services	10.73 %	3M L+625	6,859	6,787	6,825
Sargent & Greenleaf Inc.	12/20/2024	Electronics	9.89 %	3M L+550	4,886	4,886	4,813
Seaway Buyer, LLC	6/13/2029	Chemicals, Plastics and Rubber	10.73 %	3M L+575	14,963	14,767	14,738
Signature Systems Holding Company	5/3/2024	Chemicals, Plastics and Rubber	10.17 %	1M L+450	11,764	11,701	11,764
Solutionreach, Inc.	1/17/2024	Communications	10.13 %	6M L+675	11,353	11,324	11,047
STV Group Incorporated	12/11/2026	Transportation	9.67 %	3M L+575	12,099	12,033	12,038

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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
Summit Behavioral Healthcare, LLC	11/24/2028	Healthcare, Education and Childcare	9.45 %	3M L+475	3,599	3,397	3,383
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	10.94 %	SOFR+600	16,087	15,759	15,878
Team Services Group, LLC	11/24/2028	Healthcare, Education and Childcare	9.95 %	SOFR+500	700	669	662
Teneo Holdings LLC	7/18/2025	Financial Services	9.67 %	3M L+525	4,104	4,041	3,940
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	10.70 %	3M L+600	11,180	11,081	11,068
The Bluebird Group LLC	7/27/2026	Business Services	11.98 %	3M L+650	5,474	5,517	5,370
The Vertex Companies, LLC	8/30/2027	Business Services	9.88 %	3M L+550	4,520	4,476	4,425
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	9.24 %	3M L+525	5,522	5,388	5,372
TVC Enterprises, LLC	3/26/2026	Transportation	10.13 %	3M L+600	17,180	17,054	16,750
TWS Acquisition Corporation	6/16/2025	Education	11.46 %	3M L+625	7,949	7,920	7,949
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	9.25 %	3M L+550	12,034	11,912	10,903
UBEO, LLC	4/3/2024	Printing and Publishing	9.23 %	3M L+450	4,674	4,659	4,604
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	9.98 %	3M L+525	9,950	9,820	9,691
Wildcat Buyerco, Inc.	2/27/2026	Electronics	9.81 %	SOFR+575	11,477	11,396	11,082
Zips Car Wash, LLC	3/1/2024	Business Services	11.55 %	3M L+725	19,898	19,623	19,450
Total First Lien Secured Debt						<u>746,720</u>	<u>734,690</u>
Total Investments - 826.1%							
Cash and Cash Equivalents - 40.2%							
BlackRock Federal FD Institutional 30						35,708	35,708
Total Cash and Cash Equivalents						<u>35,708</u>	<u>35,708</u>
Total Investments and Cash Equivalents - 866.2%						<u>\$ 782,428</u>	<u>\$ 770,398</u>
Liabilities in Excess of Other Assets — (766.2)%							<u>(681,462)</u>
Members' Equity—100.0%							<u>\$ 88,936</u>

⁽¹⁾ Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L", Secured Overnight Financing Rate or "SOFR" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

⁽²⁾ Valued based on PSLF's accounting policy.

Below is a listing of PSLF's individual investments as of September 30, 2022 (\$ in thousands):

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)
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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 864.4%							
Ad.net Acquisition, LLC	05/06/26	Media	9.67 %	3M L+600	\$ 4,938	\$ 4,938	\$ 4,900
Alpine Acquisition Corp II	11/30/26	Containers, Packaging and Glass	8.69 %	3M L+800	9,975	9,785	9,576
Altamira Technologies, LLC	07/24/25	Aerospace and Defense	10.81 %	3M L+550	871	864	841
American Insulated Glass, LLC	12/21/23	Building Materials	7.79 %	3M L+575	19,906	19,867	19,906
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	06/10/25	Media	9.95 %	1M L+550	14,104	13,968	13,892
Anteradi, LLC (f/k/a MeritDirect, LLC)	05/23/24	Media	9.17 %	3M L+550	8	15,084	15,168
Any Hour Services	07/21/27	Personal, Food and Miscellaneous Services	7.98 %	3M L+575	9,942	9,934	9,743
Apex Service Partners, LLC	07/31/25	Personal, Food and Miscellaneous Services	6.25 %	3M L+575	6,569	6,502	6,536
Apex Service Partners, LLC Term Loan B	07/31/25	Personal, Food and Miscellaneous Services	6.55 %	3M L+550	3,323	3,298	3,307
Apex Service Partners, LLC - Term Loan C	07/31/25	Personal, Food and Miscellaneous Services	6.50 %	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/26	Environmental Services	9.42 %	3M L+500	8,822	8,725	8,602
Arcfield Acquisition Corp.	03/07/28	Aerospace and Defense	8.99 %	3M L+575	11,940	11,721	11,701
Beta Plus Technologies, Inc.	07/01/29	Business Services	7.56 %	1M L+525	15,000	14,700	14,700
Blackhawk Industrial Distribution, Inc.	09/17/24	Distribution	8.57 %	3M L+600	17,993	17,772	17,596
Broder Bros., Co.	12/02/22	Personal, Food and Miscellaneous Services	7.39 %	3M L+600	9,937	9,937	9,937
Cartessa Aesthetics, LLC	05/13/28	Distribution	9.55 %	3M L+600	17,456	17,131	17,194
CF512, Inc.	08/20/26	Media	9.08 %	3M L+575	2,985	2,958	2,940
Connatix Buyer, Inc.	07/13/27	Media	8.42 %	1M L+550	9,045	9,029	8,819
Dr. Squatch, LLC	08/31/27	Personal and Non-Durable Consumer Products	9.42 %	3M L+475	6,435	6,427	6,338
DRI Holding Inc.	12/21/28	Media	8.37 %	3M L+575	2,776	2,526	2,489
DRS Holdings III, Inc.	11/03/25	Consumer Products	8.87 %	3M L+600	15,142	15,063	14,658
Duraco Specialty Tapes LLC	06/30/24	Manufacturing / Basic Industries	8.62 %	3M L+575	8,139	8,008	7,944
ECL Entertainment, LLC	05/01/28	Hotels, Motels, Inns and Gaming	10.62 %	3M L+500	4,558	4,558	4,489
ECM Industries, LLC	12/23/25	Electronics	6.32 %	3M L+600	2,823	2,761	2,689
Exigo Intermediate II, LLC	03/15/27	Business Services	8.87 %	1M L+575	9,950	9,817	9,726
Fairbanks Morse Defense	06/17/28	Aerospace and Defense	7.63 %	6M L+475	800	754	740
Global Holdings InterCo LLC	03/16/26	Banking, Finance, Insurance & Real Estate	8.74 %	3M L+600	7,343	7,313	7,013
Graffiti Buyer, Inc.	08/10/27	Distribution	8.00 %	3M L+550	1,974	1,939	1,895
Hancock Roofing and Construction L.L.C.	12/31/26	Insurance	8.67 %	1M L+575	6,835	6,835	6,733
Holdco Sands Intermediate, LLC	11/23/28	Aerospace and Defense	10.17 %	1M L+800	19,915	19,535	19,516
HV Watterson Holdings, LLC	12/17/26	Business Services	9.67 %	3M L+600	15,255	15,045	14,721
HW Holdco, LLC	12/10/24	Media	6.00 %	3M L+700	14,438	14,303	14,257
Icon Partners III, LP	05/11/28	Auto Sector	6.87 %	3M L+475	2,333	2,001	1,705
IDC Infusion Services, Inc.	12/30/26	Healthcare, Education and Childcare	10.20 %	3M L+750	17,400	17,154	16,617
IG Investments Holdings, LLC	09/22/28	Business Services	9.45 %	1M L+575	4,473	4,388	4,428
Imagine Acquisitionco, LLC	11/15/27	Business Services	6.91 %	3M L+625	5,636	5,534	5,495
Inception Fertility Ventures, LLC	12/07/23	Healthcare, Education and Childcare	9.96 %	3M L+550	20,000	19,545	19,800
Infolinks Media Buyco, LLC	11/01/26	Media	9.42 %	1M L+550	6,428	6,428	6,428
Integrity Marketing Acquisition, LLC	08/27/25	Insurance	9.21 %	3M L+575	19,954	19,866	19,754
K2 Pure Solutions NoCal, L.P.	12/20/23	Chemicals, Plastics and Rubber	11.12 %	3M L+550	14,438	14,316	14,438
LAV Gear Holdings, Inc.	10/31/24	Leisure, Amusement, Motion Pictures, Entertainment	9.95 %	3M L+500	2,137	2,129	2,088
Lash OpCo, LLC	02/18/27	Consumer Products	11.17 %	1M L+650	19,925	19,708	19,526
Lightspeed Buyer Inc.	02/03/26	Healthcare, Education and Childcare	8.87 %	3M L+475	12,345	12,119	11,944
MAG DS Corp.	04/01/27	Aerospace and Defense	9.17 %	3M L+550	5,570	5,128	5,069
Magenta Buyer, LLC	07/31/28	Software	7.87 %	3M L+500	3,140	2,946	2,826
Mars Acquisition Holdings Corp.	05/14/26	Media	8.62 %	1M L+625	7,920	7,861	7,880
MBS Holdings, Inc.	04/16/27	Telecommunications	8.56 %	3M L+575	7,406	7,326	7,332
Meadowlark Acquirer, LLC	12/10/27	Business Services	9.17 %	3M L+575	2,983	2,926	2,953
Municipal Emergency Services, Inc.	09/28/27	Distribution	7.25 %	3M L+550	4,164	4,102	3,923
NBH Group LLC	08/19/26	Healthcare, Education and Childcare	7.80 %	3M L+575	7,505	7,426	7,505
OIS Management Services, LLC	07/09/26	Healthcare, Education and Childcare	9.45 %	3M L+600	5,257	5,210	5,257
Owl Acquisition, LLC	02/04/28	Education	8.41 %	3M L+550	3,990	3,874	3,890
Ox Two, LLC (New Issue)	05/18/26	Distribution	8.32 %	1M L+650	4,962	4,911	4,863
PL Acquisitionco, LLC	11/09/27	Retail	9.62 %	1M L+575	8,634	8,489	8,419
PlayPower, Inc.	05/08/26	Consumer Products	9.17 %	1M L+525	2,580	2,487	2,309
Quantic Electronics, LLC	11/19/26	Aerospace and Defense	9.92 %	1M L+600	3,403	3,342	3,335
Quantic Electronics, LLC - Unfunded Term Loan	11/19/26	Aerospace and Defense	0.00 %	3M L+625	143	-	(1)
Radius Aerospace, Inc.	03/31/25	Aerospace and Defense	9.46 %	3M L+600	12,757	12,657	12,566
Rancho Health MSO, Inc.	12/18/25	Healthcare, Education and Childcare	7.75 %	1M L+450	5,180	5,180	5,180
Reception Purchaser, LLC	02/28/28	Transportation	9.13 %	SOFR+600	4,975	4,904	4,751
Recteq, LLC	01/29/26	Consumer Products	9.92 %	3M L+700	9,850	9,718	9,505
Research Now Group, LLC and Dynata, LLC	12/20/24	Business Services	8.84 %	1M L+550	14,542	14,440	13,070
Riverpoint Medical, LLC	06/20/25	Healthcare, Education and Childcare	7.74 %	3M L+525	3,192	3,172	3,112
Riverside Assessments, LLC	03/10/25	Education	9.95 %	1M L+575	9,949	9,872	9,750
Sales Benchmark Index LLC	01/03/25	Business Services	9.67 %	3M L+625	6,859	6,779	6,791
Sargent & Greenleaf Inc.	12/20/24	Electronics	7.15 %	3M L+550	5,082	5,082	5,031
Seaway Buyer, LLC	06/13/29	Chemicals, Plastics and Rubber	7.90 %	3M L+575	15,000	14,794	14,775
Signature Systems Holding Company	05/03/24	Chemicals, Plastics and Rubber	10.17 %	1M L+450	11,951	11,879	11,861
Solutionreach, Inc.	01/17/24	Communications	8.87 %	6M L+675	11,386	11,352	11,113
STV Group Incorporated	12/11/26	Transportation	8.37 %	3M L+575	12,099	12,031	11,978

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Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.73 %	SOFR+600	16,128	15,785	15,870
Teneo Holdings LLC	7/18/2025	Financial Services	7.73 %	3M L+525	3,474	3,435	3,271
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	9.67 %	3M L+600	11,208	11,102	11,096
The Bluebird Group LLC	7/27/2026	Business Services	10.67 %	3M L+650	5,502	5,549	5,557
The Vertex Companies, LLC	8/30/2027	Business Services	8.62 %	3M L+550	4,531	4,485	4,509
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	7.78 %	3M L+525	5,536	5,392	5,370
TVC Enterprises, LLC	3/26/2026	Transportation	8.87 %	3M L+600	17,381	17,244	16,946
TWS Acquisition Corporation	6/16/2025	Education	8.76 %	3M L+625	7,949	7,917	7,910
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	7.76 %	3M L+550	12,064	11,938	11,208
UBEO, LLC	4/3/2024	Printing and Publishing	8.17 %	3M L+450	4,674	4,657	4,604
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	8.95 %	3M L+525	9,975	9,840	9,755
Wildcat Buyerco, Inc.	2/27/2026	Electronics	9.45 %	SOFR+575	11,506	11,420	11,110
Zips Car Wash, LLC	3/1/2024	Business Services	10.24 %	3M L+725	19,998	19,673	19,498
Total First Lien Secured Debt						<u>738,219</u>	<u>730,108</u>
Total Investments - 864.4%							
Cash and Cash Equivalents - 50.9%							
BlackRock Federal FD Institutional 30						42,966	42,966
Total Cash and Cash Equivalents						<u>42,966</u>	<u>42,966</u>
Total Investments and Cash Equivalents - 915.3%						<u>\$ 781,185</u>	<u>\$ 773,073</u>
Liabilities in Excess of Other Assets — (815.3)%							<u>(688,611)</u>
Members' Equity—100.0%							<u>\$ 84,462</u>

- ⁽¹⁾ Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR or "L", Secured Overnight Financing Rate or "SOFR" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.
- ⁽²⁾ Valued based on PSLF's accounting policy.

Below are the consolidated statements of assets and liabilities for PSLF (\$ in thousands):

	December 31, 2022 (Unaudited)	September 30, 2022
Assets		
Investments at fair value (cost—\$746,720 and \$738,219, respectively)	\$ 734,690	\$ 730,108
Cash and cash equivalents (cost—\$35,708 and \$42,966, respectively)	35,708	42,966
Receivable for investments sold	1,423	3,870
Interest receivable	3,887	2,970
Prepaid expenses and other assets	1,231	1,373
Total assets	<u>776,939</u>	<u>781,287</u>
Liabilities		
Credit facility payable	264,600	257,600
2034 Asset-backed debt, net (par—\$246,000)	243,993	243,896
Notes payable to members	157,605	145,472
Payable for investments purchased	5,821	37,658
Interest payable on credit facility and asset backed debt	6,960	4,676
Distribution payable to Members	5,000	4,000
Interest payable on notes to members	3,376	2,703
Accrued expenses	648	820
Total liabilities	<u>688,003</u>	<u>696,825</u>
Commitments and contingencies ⁽¹⁾		
Members' equity	<u>88,936</u>	<u>84,462</u>
Total liabilities and members' equity	<u>\$ 776,939</u>	<u>\$ 781,287</u>

- ⁽¹⁾ As of December 31, 2022 and September 30, 2022, PSLF had unfunded commitments to fund of \$0.5 million and \$0.1 million, respectively

Below are the consolidated statements of operations for PSLF (\$ in thousands):

	Three Months Ended December 31,	
	2022	2021
Investment income:		
Interest	\$ 18,845	\$ 7,570
Other income	97	103
Total investment income	18,942	7,673
Expenses:		
Interest expense on credit facility and asset-backed debt	7,815	1,609
Interest expense on notes to members	4,723	2,439
Administrative services expenses	727	293
General and administrative expenses	114	112
Total expenses	13,379	4,453
Net investment income	5,563	3,220
Realized and unrealized gain (loss) on investments:		
Net realized gain (loss) on investments	(33)	(1)
Net change in unrealized appreciation (depreciation) on investments	(3,922)	506
Net realized and unrealized gain (loss) from investments	(3,955)	505
Net increase (decrease) in members' equity resulting from operations	\$ 1,608	\$ 3,725

⁽¹⁾ No management or incentive fees are payable by PSLF.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

- Level 1: Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date.
- Level 2: Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument.
- Level 3: Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our Credit Facility and our SBA debentures are classified as Level 3. Our 2026 Notes and 2026 Notes-2 are classified as Level 2, as they are financial instruments with readily observable market inputs. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

The inputs into the determination of fair value may require significant management judgment or estimation. Even if observable market data is available, such information may be the result of consensus pricing information, disorderly transactions or broker quotes which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimer would result in classification as Level 3 information, assuming no additional corroborating evidence were available. Corroborating evidence that would result in classifying these non-binding broker/dealer bids as a Level 2 asset includes observable orderly market-based transactions for the same or similar assets or other relevant observable market-based inputs that may be used in pricing an asset.

Our investments are generally structured as debt and equity investments in the form of first lien secured debt, second lien secured debt, subordinated debt and equity investments. The transaction price, excluding transaction costs, is typically the best estimate of fair value at inception. Ongoing reviews by our Investment Adviser and independent valuation firms are based on an assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information including comparable transactions, performance multiples and yields, among other factors. These non-public investments valued using unobservable inputs are included in Level 3 of the fair value hierarchy.

A review of fair value hierarchy classifications is conducted on a quarterly basis. Changes in our ability to observe valuation inputs may result in a reclassification for certain financial assets or liabilities.

In addition to using the above inputs to value cash equivalents, investments, our SBA debentures, our 2026 Notes, our 2026 Notes -2 and our Truist Credit Facility, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value. See Note 2.

As outlined in the table below, some of our Level 3 investments using a market approach valuation technique are valued using the average of the bids from brokers or dealers. The bids include a disclaimer, may not have corroborating evidence, may be the result of a disorderly transaction and may be the result of consensus pricing. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If the board of directors has a bona fide reason to believe any such bids do not reflect the fair value of an investment, it may independently value such investment by using the valuation procedure that it uses with respect to assets for which market quotations

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are not readily available. In accordance with ASC 820, we do not categorize any investments for which fair value is measured using the net asset value per share within the fair value hierarchy.

The remainder of our investment portfolio and our long-term Truist Credit Facility are valued using a market comparable or an enterprise market value technique. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities, discount for lack of marketability and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, the pricing indicated by the external event, excluding transaction costs, is used to corroborate the valuation. When using earnings multiples to value a portfolio company, the multiple used requires the use of judgment and estimates in determining how a market participant would price such an asset. These non-public investments using unobservable inputs are included in Level 3 of the fair value hierarchy. Generally, the sensitivity of unobservable inputs or combination of inputs such as industry comparable companies, market outlook, consistency, discount rates and reliability of earnings and prospects for growth, or lack thereof, affects the multiple used in pricing an investment. As a result, any change in any one of those factors may have a significant impact on the valuation of an investment. Generally, an increase in a market yield will result in a decrease in the valuation of a debt investment, while a decrease in a market yield will have the opposite effect. Generally, an increase in an earnings before interest, taxes, depreciation and amortization, or EBITDA, multiple will result in an increase in the valuation of an investment, while a decrease in an EBITDA multiple will have the opposite effect.

Our Level 3 valuation techniques, unobservable inputs and ranges were categorized as follows for ASC 820 purposes:

Asset Category (\$ in thousands)	Fair value at December 31, 2022	Valuation Technique	Unobservable Input	Range of Input (Weighted Average)⁽¹⁾
First lien	\$ 46,082	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	602,366	Market Comparable	Market yield	7.0% - 21.0% (10.8%)
First lien	12,821	Enterprise Market Value	EBITDA multiple	8.0x
Second lien	9,505	Market Comparable	Broker/Dealer bids or quotes	N/A
Second lien	121,252	Market Comparable	Market yield	13.0 - 20.7 (14.8%)
Second lien	—	Enterprise Market Value	EBITDA multiple	6.3x
Subordinated debt / corporate notes	148,596	Market Comparable	Market yield	12.4% - 17.4 (13.3%)
Equity	179,383	Enterprise Market Value	EBITDA multiple	3.1x - 21.3x (9.4x)
Equity	6,725	Enterprise Market Value	DLOM ⁽²⁾	17.2%
Total Level 3 investments	\$ 1,126,730			
Debt Category (\$ in thousands)				
Truist Credit Facility	\$ 367,308	Market Comparable	Market yield	2.9%

(1) The weighted averages disclosed in the table above were weighted by their relative fair value.

(2) DLOM is defined as discount for lack of marketability.

Asset Category (\$ in thousands)	Fair value at September 30, 2022	Valuation Technique	Unobservable Input	Range of Input (Weighted Average)⁽¹⁾
First lien	\$ 44,530	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	569,488	Market Comparable	Market yield	7.0% - 20.2% (10.8%)
First lien	16,946	Market Comparable	EBITDA multiple	14.0x
Second lien	21,600	Market Comparable	Broker/Dealer bids or quotes	N/A
Second lien	108,336	Market Comparable	Market yield	13.3% - 17.0% (14.4%)
Second lien	—	Enterprise Market Value	EBITDA multiple	6.0x
Subordinated debt / corporate notes	141,265	Market Comparable	Market yield	10.8x - 17.2x (12.3x)
Equity	215,131	Enterprise Market Value	EBITDA multiple	3.3x - 21.4x (9.1x)
Equity	42,031	Enterprise Market Value	DLOM ⁽²⁾	11.8
Total Level 3 investments	\$ 1,159,327			
Debt Category (\$ in thousands)				
Truist Credit Facility	\$ 376,687	Market Comparable	Market yield	2.4%

1. The weighted averages disclosed in the table above were weighted by their relative fair value.

2. DLOM is defined as discount for lack of marketability.

Our investments, cash and cash equivalents, Truist Credit Facility, SBA debentures, 2024 Notes, 2026 Notes and 2026 Notes-2 were categorized as follows in the fair value hierarchy:

Description (\$ in thousands)	Fair Value at December 31, 2022				Measured at Net Asset Value⁽¹⁾
	Fair Value	Level 1	Level 2	Level 3	
Debt investments	\$ 940,621	\$ —	\$ —	\$ 940,621	\$ —
Equity investments	255,414	509	—	186,109	68,796
Total investments	1,196,035	509	—	1,126,730	68,796
Cash and cash equivalents	28,556	28,556	—	—	—
Total investments and cash and cash equivalents	\$ 1,224,591	\$ 29,065	\$ —	\$ 1,126,730	\$ 68,796
Truist Credit Facility	\$ 367,308	\$ —	\$ —	\$ 367,308	\$ —
SBA Debentures ⁽²⁾	19,701	—	—	19,701	—
2026 Notes ⁽²⁾	146,993	—	146,993	—	—
2026 Notes-2 ⁽²⁾	161,586	—	161,586	—	—
Total debt	\$ 695,588	\$ —	\$ 308,579	\$ 387,009	\$ —

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- (1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSLF and PTSF II are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy.
- (2) We elected not to apply ASC 825-10 to the SBA debentures, the 2026 Notes and the 2026 Notes-2, and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value. As of December 31, 2022, the carrying value of the SBA debentures approximates the fair value.

Description (\$ in thousands)	Fair Value at September 30, 2022					Measured at Net Asset Value ⁽¹⁾
	Fair Value	Level 1	Level 2	Level 3		
Debt investments	\$ 902,165	\$ —	\$ —	\$ 902,165	\$ —	
Equity investments	324,136	304	—	257,162	66,670	
Total investments	1,226,301	304	—	1,159,327	66,670	
Cash and cash equivalents	52,666	52,666	—	—	—	
Total investments and cash and cash equivalents	\$ 1,278,967	\$ 52,970	\$ —	\$ 1,159,327	\$ 66,670	
Truist Credit Facility	\$ 376,687	\$ —	\$ —	\$ 376,687	—	
SBA Debentures ⁽²⁾	19,686	—	—	19,686	—	
2026 Notes ⁽²⁾	146,767	—	146,767	—	—	
2026-2 Notes ⁽²⁾	161,373	—	161,373	—	—	
Total debt	\$ 704,513	\$ —	\$ 308,140	\$ 396,373	\$ —	

- (1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSLF is measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus has not been classified in the fair value hierarchy.
- (2) We elected not to apply ASC 825-10 to the SBA debentures and the 2026 Notes and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value. As of September 30, 2022, the carrying value of the SBA debentures approximates the fair value.

The tables below show a reconciliation of the beginning and ending balances for investments measured at fair value using significant unobservable inputs (Level 3):

Description (\$ in thousands)	Three Months Ended December 31, 2022		
	Debt investments	Equity investments	Totals
Beginning Balance	\$ 902,165	\$ 257,162	\$ 1,159,327
Net realized (loss) gain	42	4,024	4,066
Net change in unrealized appreciation	(5,885)	(83,427)	(89,312)
Purchases, PIK interest, net discount accretion and non-cash exchanges	68,890	14,379	83,269
Sales, repayments and non-cash exchanges	(24,590)	(6,030)	(30,620)
Transfers in/out of Level 3	—	—	—
Ending Balance	\$ 940,622	\$ 186,108	\$ 1,126,730
Net change in unrealized appreciation reported within the net change in unrealized appreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date	\$ (5,667)	\$ (83,580)	\$ (89,247)

Description (\$ in thousands)	Three Months Ended December 31, 2021		
	Debt investments	Equity investments	Totals
Beginning Balance	\$ 850,593	\$ 360,428	\$ 1,211,021
Net realized (loss) gain	30	(26,196)	(26,166)
Net change in unrealized appreciation	(7,014)	53,736	46,722
Purchases, PIK interest, net discount accretion and non-cash exchanges	285,421	16,231	301,652
Sales, repayments and non-cash exchanges	(123,718)	(6,134)	(129,852)
Transfers in/out of Level 3	—	—	—
Ending Balance	\$ 1,005,312	\$ 398,065	\$ 1,403,377
Net change in unrealized appreciation reported within the net change in unrealized appreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date	\$ (6,126)	\$ 53,800	\$ 47,674

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The table below shows a reconciliation of the beginning and ending balances for liabilities measured at fair value using significant unobservable inputs (Level 3):

Long-Term Credit Facility	Three months ended December 31,	
	2022	2021
Beginning Balance (cost – \$385,920 and \$316,545, respectively)	\$ 376,687	\$ 314,813
Net change in unrealized appreciation (depreciation) included in earnings	(4,379)	996
Borrowings ⁽¹⁾	44,000	416,897
Repayments ⁽¹⁾	(49,000)	(288,218)
Transfers in and/or out of Level 3	—	—
Ending Balance (cost – \$380,920 and \$445,224, respectively)	<u>\$ 367,308</u>	<u>\$ 444,488</u>
Temporary draws outstanding, at cost	—	—
Ending Balance (cost – \$380,920 and \$445,224, respectively)	<u>\$ 367,308</u>	<u>\$ 444,488</u>

⁽¹⁾ Excludes temporary draws.

As of December 31, 2022, we had outstanding non-U.S. dollar borrowings on our Credit Facility. Net change in fair value on foreign currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
British Pound	£ 36,000	\$ 49,420	\$ 43,304	March 31, 2023	\$ (6,116)

As of September 30, 2022, we had outstanding non-U.S. dollar borrowings on our Truist Credit Facility. Net change in fair value on foreign currency translation on outstanding borrowings is listed below (\$ in thousands):

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
British Pound	£ 36,000	\$ 49,420	\$ 40,187	December 31, 2022	\$ (9,233)

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles under ASC Subtopic 825-10, Financial Instruments, or ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to our Truist Credit Facility. We elected to use the fair value option for the Truist Credit Facility to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Truist Credit Facility during the three months ended December 31, 2022 and 2021. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires us to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of the Truist Credit Facility is reported in our Consolidated Statements of Operations. We did not elect to apply ASC 825-10 to any other financial assets or liabilities, including the 2024 Notes, the 2026 Notes, 2026 Notes-2, and the SBA debentures.

For the three months ended December 31, 2022 and 2021, the Truist Credit Facility had a net change in unrealized (appreciation) depreciation of \$4.4 million and \$(1.0) million, respectively. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Truist Credit Facility totaled \$13.6 million and \$9.2 million, respectively. We use an independent valuation service to measure the fair value of our Truist Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments.

6. TRANSACTIONS WITH AFFILIATED COMPANIES

An affiliated portfolio company is a company in which we have ownership of 5% or more of its voting securities. A portfolio company is generally presumed to be a non-controlled affiliate when we own at least 5% but 25% or less of its voting securities and a controlled affiliate when we own more than 25% of its voting securities. Transactions related to our funded investments with both controlled and non-controlled affiliates for the three months ended December 31, 2022 were as follows (\$ in thousands):

Name of Investment	Fair Value at September 30, 2022	Gross Additions ⁽¹⁾	Gross Reductions	Net Change in Appreciation / (Depreciation)	Fair Value at December 31, 2022	Interest Income	PIK Income	Dividend Income	Net Realized Gains (Losses)
Controlled Affiliates									
AKW Holdings Limited	\$ 45,995	\$ 1,131	\$ —	\$ 3,345	\$ 50,471	\$ —	\$ 1,131	\$ —	\$ —
Mailsouth Inc.	—	—	—	—	—	—	—	—	—
PennantPark Senior Loan Fund, LLC *	139,109	12,100	—	(2,052)	149,157	2,858	—	3,256	—
RAM Energy LLC	74,282	—	—	(42,341)	31,941	—	—	—	—
Total Controlled Affiliates	\$ 259,386	\$ 13,231	\$ —	\$ (41,048)	\$ 231,569	\$ 2,858	\$ 1,131	\$ 3,256	\$ —
Non-Controlled Affiliates									
Cascade Environmental Holdings, LLC ⁽²⁾	\$ 32,791	\$ 819	\$ —	\$ —	\$ 33,610	\$ —	\$ —	\$ —	\$ —
MidOcean JF Holdings Corp.	1,969	—	—	—	1,969	—	—	—	—
Total Non-Controlled Affiliates	\$ 34,760	\$ 819	\$ —	\$ —	\$ 35,579	\$ —	\$ —	\$ —	\$ —
Total Controlled and Non-Controlled Affiliates	\$ 294,146	\$ 14,050	\$ —	\$ (41,048)	\$ 267,148	\$ 2,858	\$ 1,131	\$ 3,256	\$ —

⁽¹⁾ Includes PIK.

⁽²⁾ Cascade Environmental Holdings, LLC became a controlled affiliate during the quarter ended June 30, 2022.

We and Pantheon are the members of PSLF, a joint venture formed as a Delaware limited liability company that is not consolidated by us for financial reporting purposes. The members of PSLF make investments in the PSLF in the form of subordinated debt and equity interests, and all portfolio and other material decision regarding PSLF must be submitted to PSLF's board of directors or investment committee, both of which are comprised of two members appointed by each of us and Pantheon. Because management of PSLF is shared equally between us and Pantheon, we do not believe we control PSLF for purposes of the 1940 Act or otherwise.

7. CHANGE IN NET ASSETS FROM OPERATIONS PER COMMON SHARE

The following information sets forth the computation of basic and diluted per share net increase in net assets resulting from operations (\$ in thousands, except per share data):

	Three Months Ended December 31,	
	2022	2021
Numerator for net increase (decrease) in net assets resulting from operations	\$ (71,894)	\$ 25,510
Denominator for basic and diluted weighted average shares	65,224,500	67,045,105
Basic and diluted net increase (decrease) in net assets per share resulting from operations	\$ (1.10)	\$ 0.38

8. CASH AND CASH EQUIVALENTS

Cash equivalents represent cash in money market funds pending investment in longer-term portfolio holdings. Our portfolio may consist of temporary investments in U.S. Treasury Bills (of varying maturities), repurchase agreements, money market funds or repurchase agreement-like treasury securities. These temporary investments with original maturities of 90 days or less are deemed cash equivalents and are included in the Consolidated Schedule of Investments. At the end of each fiscal quarter, we may take proactive steps to preserve investment flexibility for the next quarter by investing in cash equivalents, which is dependent upon the composition of our total assets at quarter-end. We may accomplish this in several ways, including purchasing U.S. Treasury Bills and closing out positions on a net cash basis after quarter-end, temporarily drawing down on the Credit Facility, or utilizing repurchase agreements or other balance sheet transactions as are deemed appropriate for this purpose. These amounts are excluded from average adjusted gross assets for purposes of computing the Investment Adviser's management fee. U.S. Treasury Bills with maturities greater than 60 days from the time of purchase are valued consistent with our valuation policy. As of December 31, 2022 and September 30, 2022, cash and cash equivalents consisted of money market funds in the amounts of \$28.6 million and \$52.7 million at fair value, respectively.

9. FINANCIAL HIGHLIGHTS

Below are the financial highlights (\$ in thousands, except share and per share data):

	Three Months Ended December 31,	
	2022	2021
Per Share Data:		
Net asset value, beginning of period	\$ 8.98	\$ 9.85
Net investment income ⁽¹⁾	0.16	0.19
Net change in realized and unrealized (loss) gain ⁽¹⁾	(1.26)	0.19
Net increase in net assets resulting from operations ⁽¹⁾	(1.10)	0.38
Distributions to stockholders ^{(1),(2)}	(0.17)	(0.12)
Net asset value, end of period	\$ 7.71	\$ 10.11
Per share market value, end of period	\$ 5.75	\$ 6.93
Total return ⁽³⁾	8.34 %	8.57 %
Shares outstanding at end of period	65,224,500	67,045,105
Ratios** / Supplemental Data:		
Ratio of operating expenses to average net assets ⁽⁴⁾	7.13 %	5.40 %
Ratio of debt related expenses to average net assets ⁽⁵⁾	7.01 %	4.16 %
Ratio of total expenses to average net assets ⁽⁵⁾	14.14 %	9.56 %
Ratio of net investment income to average net assets ⁽⁵⁾	7.44 %	7.57 %
Net assets at end of period	\$ 502,909	\$ 677,609
Weighted average debt outstanding ⁽⁶⁾	\$ 694,152	\$ 697,267
Weighted average debt per share ⁽¹⁾⁽⁶⁾	\$ 10.64	\$ 10.40
Asset coverage per unit ⁽⁷⁾	\$ 1,709	\$ 1,902
Portfolio turnover rate*	1.90 %	9.73 %

* Not annualized for periods less than one year.

** Annualized for periods less than one year.

(1) Based on the weighted average shares outstanding for the respective periods.

(2) The tax status of distributions is calculated in accordance with income tax regulations, which may differ from amounts determined under GAAP, and reported on Form 1099-DIV each calendar year.

(3) Based on the change in market price per share during the periods and assumes distributions, if any, are reinvested.

(4) Excludes debt-related costs.

(5) Includes interest and expenses on debt (annualized) as well as Credit Facility amendment, debt issuance costs and excludes debt extinguishment cost, if any, (not annualized).

(6) Includes SBA debentures outstanding.

(7) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the senior securities representing indebtedness at par (changed from fair value). This asset coverage ratio is multiplied by \$1,000 to determine the asset coverage per unit. These amounts exclude SBA debentures from our asset coverage per unit computation pursuant to exemptive relief received from the SEC in June 2011.

10. DEBT

The annualized weighted average cost of debt for the three months ended December 31, 2022 and 2021, inclusive of the fee on the undrawn commitment and amendment costs on the Truist Credit Facility and amortized upfront fees on SBA debentures, 2026 Notes and 2026 Notes-2, was 5.5% and 4.0%, respectively. As of December 31, 2022, in accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing, excluding SBA debentures, pursuant to exemptive relief from the SEC received in June 2011.

On February 5, 2019, our stockholders approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the Small Business Credit Availability Act, or SBCAA) as approved by our board of directors on November 13, 2018. As a result, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), subject to compliance with certain disclosure requirements. As of December 31, 2022 and September 30, 2022, our asset coverage ratio, as computed in accordance with the 1940 Act, was 171% and 186%, respectively.

Truist Credit Facility

As of December 31, 2022, we had the multi-currency Truist Credit Facility for up to \$500.0 million (increased from \$465.0 million in July 2022), which may be further increased up to \$750.0 million in borrowings with certain lenders and Truist Bank (formerly SunTrust Bank), acting as administrative agent, Regions Bank, acting as an additional multicurrency lender, and JPMorgan Chase Bank, N.A., acting as syndication agent for the lenders. As of December 31, 2022 and September 30, 2022, we had \$380.9 million and \$385.9 million, respectively, in outstanding borrowings under the Truist Credit Facility. The Truist Credit Facility had a weighted average interest rate of 6.6% and 4.8%, respectively, exclusive of the fee on undrawn commitment, as of December 31, 2022 and September 30, 2022. The Truist Credit Facility is a revolving facility with a stated maturity date of July 29, 2027 for \$475.0 million out of the total \$500.0 million commitments (with the revolving period with respect to the remaining \$25.0 million of commitments expiring on September 4, 2023 and the related obligations maturing on September 4, 2024) and pricing set at 225 basis points over SOFR (or an alternative risk-free floating interest rate index). As of December 31, 2022 and September 30, 2022, we had \$119.1 million and \$114.1 million of unused borrowing capacity under the Truist Credit Facility, respectively, subject to leverage and borrowing base restrictions. The Truist Credit Facility is secured by substantially all of our assets, excluding assets held by SBIC II. As of December 31, 2022, we were in compliance with the terms of the Truist Credit Facility.

SBA Debentures

SBIC II is able to borrow funds from the SBA against regulatory capital (which approximates equity capital) that is paid-in and is subject to customary regulatory requirements including an examination by the SBA. We have funded SBIC II with \$75.0 million of equity capital and it had SBA debentures outstanding of \$20.0 million as of December 31, 2022 and September 30, 2022, respectively. SBA debentures are non-recourse to us and may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed at the time of issuance, often referred to as pooling, at a market-driven spread over 10-year U.S. Treasury Notes. Under current SBA regulations, a SBIC may individually borrow up to a maximum of \$175.0 million, which is up to twice its potential regulatory capital, and as part of a group of SBICs under common control may borrow a maximum of \$350 million in the aggregate.

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)
December 31, 2022

As of both December 31, 2022 and September 30, 2022, SBIC II had an initial \$150.0 million in debt commitments, all of which were drawn. During the three months ended December 31, 2022 and 2021, zero SBA debentures were repaid, respectively. As of both December 31, 2022 and September 30, 2022, the unamortized fees on the SBA debentures was \$0.3 million, respectively. The SBA debentures' upfront fees of 3.4% consist of a commitment fee of 1.0% and an issuance discount of 2.4%, which are being amortized.

Our fixed-rate SBA debentures were as follows (\$ in thousands):

Issuance Dates	Maturity	Fixed All-in Coupon Rate ⁽¹⁾	As of December 31, 2022 Principal Balance
September 20, 2017	September 1, 2027	2.9%	20,000

Issuance Dates	Maturity	Fixed All-in Coupon Rate ⁽¹⁾	As of September 30, 2022 Principal Balance
September 20, 2017	September 1, 2027	2.9%	\$ 20,000

⁽¹⁾ Excluding 3.4% of upfront fees.

The SBIC program is designed to stimulate the flow of capital into eligible businesses. Under SBA regulations, SBIC II is subject to regulatory requirements, including making investments in SBA eligible businesses, investing at least 25% of regulatory capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, prohibiting investment in certain industries and requiring capitalization thresholds that limit distributions to us, and is subject to periodic audits and examinations of its financial statements that are prepared on a basis of accounting other than GAAP (for example, fair value, as defined under ASC 820, is not required to be used for assets or liabilities for such compliance reporting).

2024 Notes

As of December 31, 2022 and September 30, 2022, we had zero in aggregate principal amount of 2024 Notes outstanding, respectively. The 2024 Notes were redeemed on November 13, 2021 at a redemption price of \$25.00 per 2024 Note, plus accrued and unpaid interest to November 13, 2021, pursuant to the indenture governing the 2024 Notes. Interest on the 2024 Notes was paid quarterly at a rate of 5.5% per year.

2026 Notes

In April 2021, we issued \$150.0 million in aggregate principal amount of our 2026 Notes at a public offering price per note of 99.4%. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.50% per year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes on any securities exchange or automated dealer quotation system.

2026 Notes-2

In October 2021, we issued \$165.0 million in aggregate principal amount of our 2026 Notes-2 at a public offering price per note of 99.436%. Interest on the 2026 Notes-2 is paid semi-annually on May 1 and November 1 of each year, at a rate of 4.00% per year, commencing May 1, 2022. The 2026 Notes-2 mature on November 1, 2026 and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes-2 are general, unsecured obligations and rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The 2026 Notes-2 are effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities. We do not intend to list the 2026 Notes-2 on any securities exchange or automated dealer quotation system.

11. COMMITMENTS AND CONTINGENCIES

From time to time, we, may be a party to legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Unfunded debt and equity investments, if any, are disclosed in the Consolidated Schedules of Investments. Under these arrangements, we may be required to supply a letter of credit to a third party if the portfolio company were to request a letter of credit. As of December 31, 2022 and September 30, 2022, we had \$172.3 million and \$169.2 million, respectively, in commitments to fund investments. For the same periods, there were no letters of credit issued.

12. UNCONSOLIDATED SIGNIFICANT SUBSIDIARIES

We must determine which, if any, of our unconsolidated controlled portfolio companies is a "significant subsidiary" within the meaning of Regulation S-X. We have determined that, as of September 30, 2022, PennantPark Senior Loan Fund, LLC and RAM Energy Holdings LLC triggered at least one of the significance tests. As a result and in accordance with Rule 3-09 of Regulation S-X, presented below is summarized unaudited financial information for RAM Energy Holdings LLC for the three months ended December 31, 2022. Similarly, in accordance with Rule 4-08(g) of Regulation S-X, which requires summarized financial information to be included in the notes to the Company's financial statements, please refer to Note 4 to review the Statement of Assets and Liabilities as well as the Statement of Operations for PennantPark Senior Loan Fund, LLC. PennantPark Senior Loan Fund, LLC did not meet the significance threshold under Rule 3-09 which requires separate audited financial statements.

- a) RAM Energy Holdings LLC:

PENNANTPARK INVESTMENT CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) - (Continued)
December 31, 2022

Income Statement	Three Months Ended December 31,			
	2022		2021	
Total revenue	\$	16,437	\$	12,734
Total expenses		(11,407)		(9,315)
Net income (loss)	\$	5,030	\$	3,419

13. STOCK REPURCHASE PROGRAM

On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25 million of our outstanding common shares in the open market at prices below our net asset value as reported in our then most recently published consolidated financial statements. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. Unless extended by our board of directors, the program, which may be implemented at the discretion of management, will expire on the earlier of March 31, 2023 and the repurchase of \$25 million of common shares. During the three months ended December 31, 2022 and 2021, we did not make any repurchases of our common shares, respectively.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of PennantPark Investment Corporation and its Subsidiaries

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated statement of assets and liabilities of PennantPark Investment Corporation and its Subsidiaries (collectively referred to as the Company), including the consolidated schedule of investments, as of December 31, 2022, the related consolidated statements of operations and changes in net assets for the three-month periods ended December 31, 2022 and 2021, and cash flows for the three-month periods ended December 31, 2022 and 2021, and the related notes to

the consolidated financial statements (collectively, the interim financial statements). Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities of the Company, including the consolidated schedule of investments, as of September 30, 2022, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended (not presented herein); and in our report dated November 17, 2022, we expressed an unqualified opinion

on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, as of September 30, 2022, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities, including the consolidated schedule of investments, from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management. We conducted our reviews in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

/s/ RSM US LLP

New York, New York
February 8, 2023

To the Board of Directors and Stockholders of PennantPark Investment Corporation and its Subsidiaries

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of PennantPark Investment Corporation for the periods ended December 31, 2022 and 2021, as indicated in our report dated February 8, 2023; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended December 31, 2022, is incorporated by reference in Registration Statement No. 333-263564 on Form N-2.

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ RSM US LLP

New York, New York
February 8, 2023

FORWARD-LOOKING STATEMENTS

This Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, contains statements that constitute forward-looking statements, which relate to us and our consolidated subsidiaries regarding future events or our future performance or future financial condition. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our Company, our industry, our beliefs and our assumptions. The forward-looking statements contained in this Report involve risks and uncertainties, including statements as to:

- our future operating results;
- our business prospects and the prospects of our prospective portfolio companies, including as a result of the pandemic caused by COVID-19 or any future worsening thereof;
- changes in political, economic or industry conditions, the interest rate environment or conditions affecting the financial and capital markets that could result in changes to the value of our assets, including changes from the impact of the COVID-19 pandemic or any future worsening thereof;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of investments that we expect to make;
- the impact of fluctuations in interest rates and foreign exchange rates on our business and our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- the ability of our prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our prospective portfolio companies;
- the impact of price and volume fluctuations in the stock market;
- increasing levels of inflation, and its impact on us and our portfolio companies;
- the ability of our Investment Adviser to locate suitable investments for us and to monitor and administer our investments;
- the impact of future legislation and regulation on our business and our portfolio companies; and
- the impact of the ongoing invasion of Ukraine by Russia, United Kingdom's withdrawal from the European Union (commonly known as "Brexit") and other world economic and political issues.

We use words such as "anticipates," "believes," "expects," "intends," "seeks," "plans," "estimates" and similar expressions to identify forward-looking statements. You should not place undue influence on the forward-looking statements as our actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors in "Risk Factors" and elsewhere in this Report.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Report should not be regarded as a representation by us that our plans and objectives will be achieved.

We have based the forward-looking statements included in this Report on information available to us on the date of this Report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements in this Report, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including reports on Form 10-Q/K and current reports on Form 8-K.

You should understand that under Section 27A(b)(2)(B) of the Securities Act and Section 21E(b)(2)(B) of the Exchange Act, the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 do not apply to forward-looking statements made in periodic reports we file under the Exchange Act.

The following analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the related notes thereto contained elsewhere in this Report.

Overview

PennantPark Investment Corporation is a BDC whose objectives are to generate both current income and capital appreciation while seeking to preserve capital through debt and equity investments primarily made to U.S. middle-market companies in the form of first lien secured debt, second lien secured debt, subordinated debt and equity investments.

We believe middle-market companies offer attractive risk-reward to investors due to a limited amount of capital available for such companies. We seek to create a diversified portfolio that includes first lien secured debt, second lien secured debt, subordinated debt and equity investments by investing approximately \$10 million to \$50 million of capital, on average, in the securities of middle-market companies. We expect this investment size to vary proportionately with the size of our capital base. We use the term “middle-market” to refer to companies with annual revenues between \$50 million and \$1 billion. The companies in which we invest are typically highly leveraged, and, in most cases, are not rated by national rating agencies. If such companies were rated, we believe that they would typically receive a rating below investment grade (between BB and CCC under the Standard & Poor’s system) from the national rating agencies. Securities rated below investment grade are often referred to as “leveraged loans” or “high yield” securities or “junk bonds” and are often higher risk compared to debt instruments that are rated above investment grade and have speculative characteristics. Our debt investments may generally range in maturity from three to ten years and are made to U.S. and, to a limited extent, non-U.S. corporations, partnerships and other business entities which operate in various industries and geographical regions.

Our investment activity depends on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity for such companies, the general economic environment and the competitive environment for the types of investments we make. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives.

Organization and Structure of PennantPark Investment Corporation

PennantPark Investment Corporation, a Maryland corporation organized in January 2007, is a closed-end, externally managed, non-diversified investment company that has elected to be treated as a BDC under the 1940 Act. In addition, for federal income tax purposes we have elected to be treated, and intend to qualify annually, as a RIC under the Code.

SBIC II, our wholly-owned subsidiary, was organized as a Delaware limited partnership in 2012. SBIC II received a license from the SBA to operate as a SBIC under Section 301(c) of the 1958 Act. SBIC II’s objectives are to generate both current income and capital appreciation through debt and equity investments generally by investing with us in SBA eligible businesses that meet the investment selection criteria used by PennantPark Investment.

Our investment activities are managed by the Investment Adviser. Under our Investment Management Agreement, we have agreed to pay our Investment Adviser an annual base management fee based on our average adjusted gross assets as well as an incentive fee based on our investment performance. PennantPark Investment, through the Investment Adviser, provides similar services to SBIC II under its investment management agreement. SBIC II’s investment management agreement does not affect the management and incentive fees on a consolidated basis. We have also entered into an Administration Agreement with the Administrator. Under our Administration Agreement, we have agreed to reimburse the Administrator for our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs. PennantPark Investment, through the Administrator, provides similar services to SBIC II under its administration agreement with us. Our board of directors, a majority of whom are independent of us, provides overall supervision of our activities, and the Investment Adviser supervises our day-to-day activities.

Revenues

We generate revenue in the form of interest income on the debt securities we hold and capital gains and dividends, if any, on investment securities that we may acquire in portfolio companies. Our debt investments, whether in the form of first lien secured debt, second lien secured debt or subordinated debt, typically have a term of three to ten years and bear interest at a fixed or a floating rate. Interest on debt securities is generally payable quarterly or semiannually. In some cases, our investments provide for deferred interest payments and PIK interest. The principal amount of the debt securities and any accrued but unpaid interest generally becomes due at the maturity date. In addition, we may generate revenue in the form of amendment, commitment, origination, structuring or diligence fees, fees for providing significant managerial assistance and possibly consulting fees. Loan origination fees, OID and market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

Expenses

Our primary operating expenses include interest expense on the outstanding debt and unused commitment fees on undrawn amounts, under our various debt facilities, the payment of a management fee and the payment of an incentive fee to our Investment Adviser, if any, our allocable portion of overhead under our Administration Agreement and other operating costs as detailed below. Our management fee compensates our Investment Adviser for its work in identifying, evaluating, negotiating, consummating and monitoring our investments. We bear all other direct or indirect costs and expenses of our operations and transactions, including:

- the cost of calculating our net asset value, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- fees payable to third parties relating to, or associated with, making investments, including fees and expenses associated with performing due diligence and reviews of prospective investments or complementary businesses;
- expenses incurred by the Investment Adviser in performing due diligence and reviews of investments;
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts;
- federal and state registration fees and any exchange listing fees;
- federal, state, local and foreign taxes;
- independent directors’ fees and expenses;
- brokerage commissions;
- fidelity bond, directors and officers, errors and omissions liability insurance and other insurance premiums;
- direct costs such as printing, mailing, long distance telephone and staff;

- fees and expenses associated with independent audits and outside legal costs;
- costs associated with our reporting and compliance obligations under the 1940 Act, the 1958 Act and applicable federal and state securities laws; and
- all other expenses incurred by either the Administrator or us in connection with administering our business, including payments under our Administration Agreement that will be based upon our allocable portion of overhead, and other expenses incurred by the Administrator in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of compensation and related expenses of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

Generally, during periods of asset growth, we expect our general and administrative expenses to be relatively stable or to decline as a percentage of total assets and increase during periods of asset declines. Incentive fees, interest expense and costs relating to future offerings of securities would be additive to the expenses described above.

PORTFOLIO AND INVESTMENT ACTIVITY

As of December 31, 2022, our portfolio totaled \$1,196.0 million, which consisted of \$661.2 million of first lien secured debt, \$130.8 million of second lien secured debt, \$148.6 million of subordinated debt (including \$95.4 million in PSLF) and \$255.4 million of preferred and common equity (including \$53.8 million in PSLF). Our debt portfolio consisted of 96% variable-rate investments and 4% fixed-rate investments. As of December 31, 2022, we had two portfolio companies on non-accrual, representing 2.7% and 1.1% of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized depreciation of \$167.5 million as of December 31, 2022. Our overall portfolio consisted of 125 companies with an average investment size of \$9.6 million, had a weighted average yield on interest bearing debt investments of 11.9% and was invested 55% in first lien secured debt, 11% in second lien secured debt, 13% in subordinated debt (including 8% in PSLF) and 21% in preferred and common equity (including 4% in PSLF). As of December 31, 2022, all of the investments held by PSLF were first lien secured debt.

As of September 30, 2022, our portfolio totaled \$1,226.3 million and consisted of \$631.0 million of first lien secured debt, \$129.9 million of second lien secured debt, \$141.3 million of subordinated debt (including \$88.0 million in PSLF) and \$324.1 million of preferred and common equity (including \$51.1 million in PSLF). Our interest bearing debt portfolio consisted of 96% variable-rate investments and 4% fixed-rate investments. As of September 30, 2022, we had one portfolio company on non-accrual, representing 1% and zero percent of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized depreciation of \$71.0 million as of September 30, 2022. Our overall portfolio consisted of 123 companies with an average investment size of \$10.1 million, had a weighted average yield on interest bearing debt investments of 10.8% and was invested 51% in first lien secured debt, 11% in second lien secured debt, 12% in subordinated debt (including 7% in PSLF) and 26% in preferred and common equity (including 4% in PSLF).

For the three months ended December 31, 2022, we invested \$86.2 million in six new and 29 existing portfolio companies with a weighted average yield on debt investments of 11.2%. Sales and repayments of investments for the three months ended December 31, 2022 totaled \$30.6 million.

For the three months ended December 31, 2021, we invested \$295.1 million in 15 new and 30 existing portfolio companies with a weighted average yield on debt investments of 8.1%. Sales and repayments of investments for the three months ended December 31, 2021 totaled \$132.2 million.

PennantPark Senior Loan Fund, LLC

As of December 31, 2022, PSLF's portfolio totaled \$734.7 million, consisted of 83 companies with an average investment size of \$8.9 million and had a weighted average yield on debt investments of 10.6%.

As of September 30, 2022, PSLF's portfolio totaled \$730.1 million, consisted of 80 companies with an average investment size of \$9.1 million and had a weighted average yield on debt investments of 9.4%.

For the three months ended December 31, 2022, PSLF invested \$16.8 million (of which none were purchased from the Company) in four new and four existing portfolio companies with a weighted average yield on debt investments of 11.4%. PSLF's sales and repayments of investments for the same period totaled \$9.0 million.

For the three months ended December 31, 2021, PSLF invested \$50.7 million (of which \$48.1 million was purchased from the Company) in nine new and two existing portfolio companies with a weighted average yield on debt investments of 7.5%. PSLF's sales and repayments of investments for the same period totaled \$35.6 million.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of our assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Actual results could differ from these estimates due to changes in the economic and regulatory environment, financial markets and any other parameters used in determining such estimates and assumptions, including the credit worthiness of our portfolio companies. We may reclassify certain prior period amounts to conform to the current period presentation. We have eliminated all intercompany balances and transactions. References to ASC serve as a single source of accounting literature. Subsequent events are evaluated and disclosed as appropriate for events occurring through the date the Consolidated Financial Statements are issued. In addition to the discussion below, we describe our critical accounting policies in the notes to our Consolidated Financial Statements. We discuss our critical accounting estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2022 Annual Report on Form 10-K. There have been no significant changes in our critical accounting estimates during the three months from those disclosed in our 2022 Annual Report on Form 10-K.

Investment Valuations

We expect that there may not be readily available market values for many of the investments which are or will be in our portfolio, and we value such investments at fair value as determined in good faith by or under the direction of our board of directors using a documented valuation policy and a consistently applied valuation process, as described in this Report. With respect to investments for which there is no readily available market value, the factors that our board of directors may take into account in pricing our investments at fair value include, as relevant, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, comparison to publicly traded securities and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we consider the pricing indicated by the external event to corroborate or revise our

valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and the difference may be material.

Our portfolio generally consists of illiquid securities, including debt and equity investments. With respect to investments for which market quotations are not readily available, or for which market quotations are deemed not reflective of the fair value, our board of directors undertakes a multi-step valuation process each quarter, as described below:

- (1) Our quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of our Investment Adviser responsible for the portfolio investment;
- (2) Preliminary valuation conclusions are then documented and discussed with the management of the Investment Adviser;
- (3) Our board of directors also engages independent valuation firms to conduct independent appraisals of our investments for which market quotations are not readily available or are readily available but deemed not reflective of the fair value of the investment. The independent valuation firms review management's preliminary valuations in light of their own independent assessment and also in light of any market quotations obtained from an independent pricing service, broker, dealer or market maker;
- (4) The audit committee of our board of directors reviews the preliminary valuations of the Investment Adviser and those of the independent valuation firms on a quarterly basis, periodically assesses the valuation methodologies of the independent valuation firms, and responds to and supplements the valuation recommendations of the independent valuation firms to reflect any comments; and
- (5) Our board of directors discusses these valuations and determines the fair value of each investment in our portfolio in good faith, based on the input of our Investment Adviser, the respective independent valuation firms and the audit committee.

Our board of directors generally uses market quotations to assess the value of our investments for which market quotations are readily available. We obtain these market values from independent pricing services or at the bid prices obtained from at least two brokers or dealers, if available, or otherwise from a principal market maker or a primary market dealer. The Investment Adviser assesses the source and reliability of bids from brokers or dealers. If our board of directors has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

Fair value, as defined under ASC 820, is the price that we would receive upon selling an investment or pay to transfer a liability in an orderly transaction to a market participant in the principal or most advantageous market for the investment or liability. ASC 820 emphasizes that valuation techniques maximize the use of observable market inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of us. Unobservable inputs reflect the assumptions market participants would use in pricing an asset or liability based on the best information available to us on the reporting period date.

ASC 820 classifies the inputs used to measure these fair values into the following hierarchies:

- | | |
|----------|---|
| Level 1: | Inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities, accessible by us at the measurement date. |
| Level 2: | Inputs that are quoted prices for similar assets or liabilities in active markets, or that are quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term, if applicable, of the financial instrument. |
| Level 3: | Inputs that are unobservable for an asset or liability because they are based on our own assumptions about how market participants would price the asset or liability. |

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Generally, most of our investments, our Truist Credit Facility, 2026 Notes, 2026-2 Notes and our SBA debentures are classified as Level 3. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the price used in an actual transaction may be different than our valuation and those differences may be material.

On December 3, 2020, the SEC adopted Rule 2a-5 under the 1940 Act, which establishes an updated regulatory framework for determining fair value in good faith for purposes of the 1940 Act. The new rule clarifies how fund boards of directors can satisfy their valuation obligations and requires, among other things, the board of directors to periodically assess material valuation risks and take steps to manage those risks. The rule also permit boards of directors, subject to board oversight and certain other conditions, to designate the fund's investment adviser to perform fair value determinations. The new rule went into effect on March 8, 2021 and had a compliance date of September 8, 2022. We came into compliance with Rule 2a-5 under the 1940 Act before the compliance date. While our board of directors has not elected to designate the Investment Adviser as the valuation designee at this time, we have adopted certain revisions to our valuation policies and procedures in order comply with the applicable requirements of Rule 2a-5 under the 1940 Act.

In addition to using the above inputs to value cash equivalents, investments, our SBA debentures, our 2026 Notes, 2026 Notes-2 and our Truist Credit Facility valuations, we employ the valuation policy approved by our board of directors that is consistent with ASC 820. Consistent with our valuation policy, we evaluate the source of inputs, including any markets in which our investments are trading, in determining fair value.

Generally, the carrying value of our consolidated financial liabilities approximates fair value. We have adopted the principles under ASC Subtopic 825-10, Financial Instruments, or ASC 825-10, which provides companies with an option to report selected financial assets and liabilities at fair value, and made an irrevocable election to apply ASC 825-10 to our Truist Credit Facility. We elected to use the fair value option for the Truist Credit Facility to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Due to that election and in accordance with GAAP, we did not incur any expenses relating to amendment costs on the Truist Credit Facility for both the three months ended December 31, 2022. ASC 825-10 establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities and to more easily understand the effect on earnings of a company's choice to use fair value. ASC 825-10 also requires entities to display the fair value of the selected assets and liabilities on the face of the Consolidated Statements of Assets and Liabilities and changes in fair value of the Truist Credit Facility is reported in our Consolidated Statements of Operations. We elect not to apply ASC 825-10 to any other financial assets or liabilities, including the 2026 Notes, 2026 Notes-2 and SBA debentures.

For the three months ended December 31, 2022 and 2021, the Trust Credit Facility had a net change in unrealized (appreciation) depreciation of \$4.4 million and \$(1.0) million, respectively. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Trust Credit Facility totaled \$13.6 million and \$9.2 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of our Trust Credit Facility in a manner consistent with the valuation process that the board of directors uses to value our investments.

Revenue Recognition

We record interest income on an accrual basis to the extent that we expect to collect such amounts. For loans and debt investments with contractual PIK interest, which represents interest accrued and added to the loan balance that generally becomes due at maturity, we will generally not accrue PIK interest when the portfolio company valuation indicates that such PIK interest is not collectable. We do not accrue as a receivable interest on loans and debt investments if we have reason to doubt our ability to collect such interest. Loan origination fees, OID, market discount or premium and deferred financing costs on liabilities, which we do not fair value, are capitalized and then accreted or amortized using the effective interest method as interest income or, in the case of deferred financing costs, as interest expense. We record prepayment penalties on loans and debt investments as income. Dividend income, if any, is recognized on an accrual basis on the ex-dividend date to the extent that we expect to collect such amounts. From time to time, the Company receives certain fees from portfolio companies, which are non-recurring in nature. Such fees include loan prepayment penalties, structuring fees and amendment fees, and are recorded as other investment income when earned.

Net Realized Gains or Losses and Net Change in Unrealized Appreciation or Depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, using the specific identification method, without regard to unrealized appreciation or depreciation previously recognized, but considering unamortized upfront fees and prepayment penalties. Net change in unrealized appreciation or depreciation reflects the change in fair values of our portfolio investments and our Trust Credit Facility, including any reversal of previously recorded unrealized appreciation or depreciation, when gains or losses are realized.

Foreign Currency Translation

Our books and records are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

1. Fair value of investment securities, other assets and liabilities – at the exchange rates prevailing at the end of the applicable period; and
2. Purchases and sales of investment securities, income and expenses – at the exchange rates prevailing on the respective dates of such transactions.

Although net assets and fair values are presented based on the applicable foreign exchange rates described above, we do not isolate that portion of the results of operations due to changes in foreign exchange rates on investments, other assets and debt from the fluctuations arising from changes in fair values of investments and liabilities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments and liabilities.

Payment-in-Kind, or PIK Interest

We have investments in our portfolio which contain a PIK interest provision. PIK interest is added to the principal balance of the investment and is recorded as income. In order for us to maintain our ability to be subject to tax as a RIC, substantially all of this income must be paid out to stockholders in the form of dividends for U.S. federal income tax purposes, even though we may not have collected any cash with respect to interest on PIK securities.

Federal Income Taxes

We have elected to be treated, and intend to qualify annually to maintain our election to be treated, as a RIC under Subchapter M of the Code. To maintain our RIC tax election, we must, among other requirements, meet certain annual source-of-income and quarterly asset diversification requirements. We also must annually distribute dividends for U.S. federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of the sum of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, or investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible U.S. federal excise tax imposed on RICs, we must distribute dividends for federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the sum of (1) 98% of our net ordinary income (subject to certain deferrals and elections) for the calendar year, (2) 98.2% of the excess, if any, of our capital gains over our capital losses, or capital gain net income (adjusted for certain ordinary losses) for the one-year period ending on October 31 of the calendar year plus (3) the sum of any net ordinary income plus capital gain net income for preceding years that was realized but not distributed during such years and on which we did not incur any U.S. federal income tax, or the Excise Tax Avoidance Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, contingent on maintaining our ability to be subject to tax as a RIC, in order to provide us with additional liquidity.

Because federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and net realized gain recognized for financial reporting purposes. Differences between tax regulations and GAAP may be permanent or temporary. Permanent differences are reclassified among capital accounts in the Consolidated Financial Statements to reflect their appropriate tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future.

For the three months ended December 31, 2022 and 2021 we recorded a provision for taxes on net investment income of \$2.0 million and \$0.2 million respectively, pertaining to federal excise tax.

The Taxable Subsidiary (PNNT Investment Holdings, LLC, a second-tier wholly-owned subsidiary of the Company,) is subject to U.S. federal, state and local corporate income taxes. The income tax expense and related tax liabilities of the Taxable Subsidiary are reflected in the Company's consolidated financial statements.

For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of zero, respectively, on net realized gain on investments by the Taxable Subsidiary. For the three months ended December 31, 2022 and 2021, the Company recognized a provision for taxes of \$(0.9) million and \$5.0, respectively, on net unrealized gain (loss) on investments by the Taxable Subsidiary. The provision for taxes on net realized and unrealized gains on investments is the result of netting (i) the expected tax liability on the gains from the sales of investments which is likely to be realized and unrealized during fiscal year ending September 30, 2023 and (ii) the expected

tax benefit resulting from the use of loss carryforwards to offset such gains. As of December 31, 2022 and September 30, 2022, the Company recognized a provision for taxes of \$2.2 million and \$7.1 million on net realized and unrealized gains on investments by the Taxable Subsidiary.

During the three months ended December 31, 2022 and 2021, the Company paid zero, respectively, in federal taxes on realized gains on the sale of investments held by the Taxable Subsidiary. Due to offsetting losses in the year ended September 30, 2022, the \$4.0 million is shown on the consolidated statement of assets and liabilities under prepaid expenses and other assets. The state and local tax liability of \$6.2 million as of December 31, 2022 is included under accrued other expenses in the consolidated statement of assets and liabilities.

We operate in a manner to maintain our election to be subject to tax as a RIC and to eliminate corporate-level U.S. federal income tax (other than the 4% excise tax) by distributing sufficient investment company taxable income and capital gain net income (if any). As a result, we will have an effective tax rate equal to 0% before the excise tax and income taxes incurred by the Taxable Subsidiary. As such, a reconciliation of the differences between our reported income tax expense and its tax expense at the federal statutory rate of 21% is not meaningful.

The Taxable Subsidiary, which is subject to tax as a corporation, allows us to hold equity securities of certain portfolio companies treated as pass-through entities for U.S. federal income tax purposes while facilitating our ability to qualify as a RIC under the Code.

RESULTS OF OPERATIONS

Set forth below are the results of operations for the three months ended December 31, 2022 and 2021

Investment Income

For the three months ended December 31, 2022, investment income was \$30.0 million, which was attributable to \$21.8 million from first lien secured debt, \$3.8 million from second lien secured debt, \$1.1 million from subordinated debt and \$3.3 million from preferred and common equity, respectively. For the three months ended December 31, 2021, investment income was \$28.3 million, which was attributable to \$20.1 million from first lien secured debt, \$4.5 million from second lien secured debt, \$1.9 million from subordinated debt and \$1.8 million from preferred and common equity, respectively. The increase in investment income compared to the same period in the prior year was primarily due to the increase in the cost yield of our debt portfolio.

Net Expenses

For the three months ended December 31, 2022, expenses totaled \$19.6 million and were comprised of; \$9.7 million of debt related interest and expenses, \$4.6 million of base management fees, \$2.2 million of performance based \$1.1 million of general and administrative expenses and \$2.0 million of provision for excise taxes. For the three months ended December 31, 2021, expenses totaled \$15.8 and were comprised of; \$6.9 million of debt-related interest and expenses, \$5.1 million of base management fees, \$2.6 million of performance based, incentive fees, \$1.0 million of general and administrative expenses and \$0.2 million of provision for excise taxes. The increase in provision for excise taxes was primarily due to the increase undistributed taxable income as of December 31, 2022 compared to the same period in the prior year.

Net Investment Income

For the three months ended December 31, 2022 and 2021, net investment income totaled \$10.3 million, or \$0.16 per share, and \$12.5 million, or \$0.19 per share, respectively. The decrease in net investment income compared to the same period in the prior year was primarily due to an increase in debt related interest and expenses and an increase in the provision for excise tax.

Net Realized Gains or Losses on Investments

For the three months ended December 31, 2022 and 2021, net realized gains (losses) totaled \$4.1 million and \$(26.1) million, respectively. The change in realized gains (losses) was primarily due to changes in the market conditions of our investments and the values at which they were realized.

Unrealized Appreciation or Depreciation on Investments and Debt

For the three months ended December 31, 2022 and 2021, we reported net change in unrealized appreciation (depreciation) on investments of \$(91.6) million and \$46.8 million, respectively. As of December 31, 2022 and September 30, 2022, our net unrealized appreciation (depreciation) on investments totaled \$(167.5) million and \$(75.7) million, respectively. The net change in unrealized depreciation on our investments compared to the same period in the prior year was primarily due to changes in the capital market conditions of our investments and the values at which they were realized.

For the three months ended December 31, 2022 and 2021, the Truist Credit Facility had a net change in unrealized (appreciation) depreciation of \$4.4 million and \$(1.0) million, respectively. As of December 31, 2022 and September 30, 2022, the net unrealized depreciation on the Truist Credit Facility totaled \$13.6 million and \$9.2 million, respectively. The net change in unrealized depreciation compared to the same periods in the prior year was primarily due to changes in the capital markets.

Net Increases (Decrease) in Net Assets Resulting from Operations

For the three months ended December 31, 2022 and 2021, net increase (decrease) in net assets resulting from operations totaled \$(71.9) million, or \$(1.10) per share and \$25.5 million, or \$0.38 per share, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are derived primarily from cash flows from operations, including investment sales and repayments, and income earned, proceeds of securities offerings and debt financings. Our primary use of funds from operations includes investments in portfolio companies and payments of interest expense, fees and other operating expenses we incur. We have used, and expect to continue to use, our debt capital, proceeds from the rotation of our portfolio and proceeds from public and private offerings of securities to finance our investment objectives and operations. As of December 31, 2022, in accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that we are in compliance with a 150% asset coverage ratio requirement after such borrowing, excluding SBA debentures pursuant to exemptive relief from the SEC received in June 2011. This "Liquidity and Capital Resources" section should be read in conjunction with the "Forward-Looking Statements" section above.

On February 5, 2019, our stockholders approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the Consolidated Appropriations Act of 2018 (which includes the SBCCA) as approved by our board of directors on November 13, 2018. As a result, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity), subject to compliance with certain disclosure requirements.

As of December 31, 2022 and September 30, 2022, our asset coverage ratio, as computed in accordance with the 1940 Act was 171% and 186%, respectively.

For the three months ended December 31, 2022 and 2021, the annualized weighted average cost of debt inclusive of the fee on the undrawn commitment and amendment costs on the Truist Credit Facility, amortized upfront fees on SBA debentures, was 5.6% and 4.0%, respectively.

As of December 31, 2022, we had the multi-currency Truist Credit Facility for up to \$500.0 million (increased from \$465.0 million in July 2022), which may be further increased up to \$750.0 million in borrowings with certain lenders and Truist Bank (formerly SunTrust Bank), acting as administrative agent, Regions Bank, acting as an additional multicurrency lender, and JPMorgan Chase Bank, N.A., acting as syndication agent for the lenders. As of December 31, 2022 and September 30, 2022, we had \$380.9 million and \$385.9 million, respectively, in outstanding borrowings under the Truist Credit Facility. The Truist Credit Facility had a weighted average interest rate of 6.6% and 5.3%, respectively, exclusive of the fee on undrawn commitments, as of December 31, 2022 and September 30, 2022. The Truist Credit Facility is a revolving facility with a stated maturity date of July 29, 2027 for \$475.0 million out of the total \$500.0 million commitments (with the revolving period with respect to the remaining \$25.0 million of commitments expiring on September 4, 2023 and the related obligations maturing on September 4, 2024) and pricing set at 235 basis points over SOFR. As of December 31, 2022 and September 30, 2022, we had \$119.1 million and \$114.1 million of unused borrowing capacity under the Truist Credit Facility, respectively, subject to leverage and borrowing base restrictions. The Truist Credit Facility is secured by substantially all of our assets excluding assets held by SBIC II. As of December 31, 2022, we were in compliance with the terms of the Truist Credit Facility.

On November 13, 2021, the 2024 Notes were redeemed at a redemption price of \$25.00 per 2024 Note, plus accrued and unpaid interest to November 13, 2021, pursuant to the indenture governing the 2024 Notes. Accordingly, as of June 30, 2022 and September 30, 2021, we had zero and \$86.3 million in aggregate principal amount of 2024 Notes outstanding, respectively. Interest on the 2024 Notes was paid quarterly on January 15, April 15, July 15 and October 15, at a rate of 5.5% per year.

As of December 31, 2022, we had \$150.0 million in aggregate principal amount of 2026 Notes outstanding. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1, at a rate of 4.50% per year, commencing November 1, 2021. The 2026 Notes mature on May 1, 2026, and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes are direct unsecured obligations and rank *pari passu* in right of payment with future unsecured unsubordinated indebtedness. The 2026 Notes are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities.

As of December 31, 2022, we had \$165.0 million in aggregate principal amount of 2026 Notes-2 outstanding. Interest on the 2026 Notes is paid semi-annually on May 1 and November 1, at a rate of 4.0% per year, commencing May 1, 2022. The 2026 Notes-2 mature on November 1, 2026, and may be redeemed in whole or in part at our option subject to a make-whole premium if redeemed more than three months prior to maturity. The 2026 Notes-2 are direct unsecured obligations and rank *pari passu* in right of payment with future unsecured unsubordinated indebtedness. The 2026 Notes-2 are structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, financing vehicles, or similar facilities.

We may raise additional equity or debt capital through both registered offerings off our shelf registration statement and private offerings of securities, by securitizing a portion of our investments, among other sources. Any future additional debt capital we incur, to the extent it is available, may be issued at a higher cost and on less favorable terms and conditions than the Truist Credit Facility, 2026 Notes, 2026 Notes-2 and SBA debentures. Furthermore, the Truist Credit Facility availability depends on various covenants and restrictions. The primary use of existing funds and any funds raised in the future is expected to be for repayment of indebtedness, investments in portfolio companies, cash distributions to our stockholders or for other general corporate or strategic purposes such as our stock repurchase program.

We have entered into certain contracts under which we have material future commitments. Under our Investment Management Agreement, which was reapproved by our board of directors (including a majority of our directors who are not interested persons of us or the Investment Adviser) in February 2023 PennantPark Investment Advisers serves as our investment adviser. PennantPark Investment, through the Investment Adviser, provides similar services to SBIC II under its investment management agreement with us. SBIC II's investment management agreement does not affect the management or incentive fees that we pay to the Investment Adviser on a consolidated basis.

Payments under our Investment Management Agreement in each reporting period are equal to (1) a management fee equal to a percentage of the value of our average adjusted gross assets and (2) an incentive fee based on our performance.

Under our Administration Agreement, which was most recently reapproved by our board of directors, including a majority of our directors who are not interested persons of us, in February 2023 and amended in July 2022, the Administrator furnishes us with office facilities and administrative services necessary to conduct our day-to-day operations. The Administration Agreement was amended on July 1, 2022. PennantPark Investment, through the Administrator, provides similar services to SBIC II under its administration agreements, which are intended to have no effect on the consolidated administration fee. If requested to provide significant managerial assistance to our portfolio companies, we or the Administrator will be paid an additional amount based on the services provided. Payment under our Administration Agreement is based upon our allocable portion of the Administrator's overhead in performing its obligations under our Administration Agreement, including rent and our allocable portion of the costs of our Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

If any of our contractual obligations discussed above are terminated, our costs under new agreements that we enter into may increase. In addition, we will likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under our Investment Management Agreement and our Administration Agreement. Any new investment management agreement would also be subject to approval by our stockholders.

SBIC II is able to borrow funds from the SBA against regulatory capital (which approximates equity capital) that is paid-in and is subject to customary regulatory requirements including an examination by the SBA. We have funded SBIC II with \$75.0 million of equity capital and it had SBA debentures outstanding of \$20.0 million as of December 31, 2022 and September 30, 2022, respectively. SBA debentures are non-recourse to us and may be prepaid at any time without penalty. The interest rate of SBA debentures is fixed at the time of issuance, often referred to as pooling, at a market-driven spread over 10-year U.S. Treasury Notes. Under current SBA regulations, a SBIC may individually borrow up to a maximum of \$175.0 million, which is up to twice its potential regulatory capital, and as part of a group of SBICs under common control may borrow a maximum of \$350 million in the aggregate.

As of both December 31, 2022 and September 30, 2022, SBIC II had an initial \$150.0 million in debt commitments, all of which were drawn. During the three months ended December 31, 2022 and 2021, there were zero repayments to the SBA debentures. As of both December 31, 2022 and September 30, 2022, the unamortized fees on the SBA debentures was \$0.3 million and \$0.3 million, respectively. The SBA debentures' upfront fees of 3.4% consist of a commitment fee of 1.0% and an issuance discount of 2.4%, which are being amortized.

Our fixed-rate SBA debentures as of December 31, 2022 and September 30, 2022 were as follows:

Issuance Dates	Maturity	Fixed All-in Coupon Rate ⁽¹⁾	As of December 31, 2022 Principal Balance
September 20, 2017	September 1, 2027	2.9%	20,000

Issuance Dates	Maturity	Fixed All-in Coupon Rate ⁽¹⁾	As of September 30, 2022 Principal Balance
September 20, 2017	September 1, 2027	2.9%	\$ 20,000

⁽¹⁾ Excluding 3.4% of upfront fees.

The SBIC program is designed to stimulate the flow of capital into eligible businesses. Under SBA regulations, SBIC II is subject to regulatory requirements, including making investments in SBA eligible businesses, investing at least 25% of regulatory capital in eligible smaller businesses, as defined under the 1958 Act, placing certain limitations on the financing terms of investments, prohibiting investment in certain industries and requiring capitalization thresholds that limit distributions to us, and is subject to periodic audits and examinations of their financial statements that are prepared on a basis of accounting other than GAAP (for example, fair value, as defined under ASC 820, is not required to be used for assets or liabilities for such compliance reporting). As of December 31, 2022, SBIC II was in compliance with their regulatory requirements.

In accordance with the 1940 Act, with certain limited exceptions, PennantPark Investment is only allowed to borrow amounts such that our required 150% asset coverage ratio is met after such borrowing. As of December 31, 2022 and September 30, 2022, we excluded the principal amounts of our SBA debentures from our asset coverage ratio pursuant to SEC exemptive relief. In 2011, we received exemptive relief from the SEC allowing us to modify the asset coverage ratio requirement to exclude the SBA debentures from the calculation. Accordingly, our ratio of total assets on a consolidated basis to outstanding indebtedness may be less than 150% which, while providing increased investment flexibility, also increases our exposure to risks associated with leverage.

As of December 31, 2022 and September 30, 2022, we had cash and cash equivalents of \$28.6 million and \$52.7 million, respectively, available for investing and general corporate purposes. We believe our liquidity and capital resources are sufficient to allow us to effectively operate our business.

For the three months ended December 31, 2022, our operating activities used cash of \$9.6 million and our financing activities used cash of \$14.8 million. Our operating activities used cash primarily due to our investment activities and our financing activities used cash primarily due to repayments under the Trust Credit Facility.

For the three months ended December 31, 2021, our operating activities used cash of \$177.4 million, and our financing activities provided cash of \$196.6 million. Our operating activities used cash primarily due to our investment activities and our financing activities provided cash primarily due to the issuance of the 2026 Notes-2 and borrowings under the Trust Credit Facility.

PennantPark Senior Loan Fund, LLC

In July 2020, we and Pantheon formed PSLF, an unconsolidated joint venture. PSLF invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSLF was formed as a Delaware limited liability company. As of December 31, 2022 and September 30, 2022, PSLF had total assets of \$776.9 million and \$781.3 million, respectively and its investment portfolio consisted of debt investments in 83 and 80 portfolio companies, respectively. As of December 31, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$19.8 million and the five largest investments totaled \$98.0 million. As of September 30, 2022, at fair value, the largest investment in a single portfolio company in PSLF was \$19.9 million and the five largest investments totaled \$98.5 million. PSLF invests in portfolio companies in the same industries in which we may directly invest.

We and Pantheon provide capital to PSLF in the form of subordinated notes and equity interests. As of December 31, 2022 and September 30, 2022, we and Pantheon owned 60.5% and 39.5%, respectively, of each of the outstanding subordinated notes and equity interests of PSLF. As of December 31, 2022 and September 30, 2022 our

investment in PSLF consisted of subordinated notes of \$95.4 million (additional \$20.5 million unfunded) and \$88.0 million (additional \$27.9 million unfunded), respectively, and equity interests of \$59.0 million (additional \$13.3 million unfunded) and \$54.8 million (additional \$18.3 million unfunded), respectively.

We and Pantheon each appointed two members to PSLF's four-person Member Designees' Committee, or the Member Designees' Committee. All material decisions with respect to PSLF, including those involving its investment portfolio, require unanimous approval of a quorum of the Member Designees' Committee. Quorum is defined as (i) the presence of two members of the Member Designees' Committee; provided that at least one individual is present that was elected, designated or appointed by each of us and Pantheon; (ii) the presence of three members of the Member Designees' Committee, provided that the individual that was elected, designated or appointed by each of us or Pantheon, as the case may be, with only one individual present shall be entitled to cast two votes on each matter; and (iii) the presence of four members of the Member Designees' Committee shall constitute a quorum, provided that two individuals are present that were elected, designated or appointed by each of us and Pantheon.

Additionally, PSLF, through its wholly-owned subsidiary, or PSLF Subsidiary, has entered into a \$225.0 million (reduced from \$275.0 million on March 2, 2022) senior secured revolving credit facility, or the PSLF Credit Facility, with BNP Paribas, which bears interest at SOFR (or an alternative risk-free interest rate index) plus 255 basis points during the investment period and is subject to leverage and borrowing base restrictions.

In March 2022, PSLF completed a \$304.0 million debt securitization in the form of a collateralized loan obligation, or the "2034 Asset-Backed Debt". The 2034 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO IV, LLC., a wholly-owned and consolidated subsidiary of PSLF, consisting primarily of middle market loans and participation interests in middle market loans. The 2034 Asset-Backed Debt is scheduled to mature in April 2034. On the closing date of the transaction, in consideration of PSLF's transfer to PennantPark CLO IV, LLC. of the initial closing date loan portfolio, which included loans distributed to PSLF by certain of its wholly owned subsidiaries and us, PennantPark CLO IV, LLC. transferred to PSLF 100% of the Preferred Shares of PennantPark CLO IV, LLC. and 100% of the Subordinated Notes issued by PennantPark CLO IV, LLC.

Below is a summary of PSLF's portfolio at fair value:

(\$ in thousands)	December 31, 2022	September 30, 2022
Total investments	\$ 734,690	\$ 730,108
Weighted average cost yield on income producing investments	10.6 %	9.4 %
Number of portfolio companies in PSLF	83	80
Largest portfolio company investment at fair value	\$ 19,846	\$ 19,906
Total of five largest portfolio company investments at fair value	\$ 97,994	\$ 98,502

Below is a listing of PSLF's individual investments as of December 31, 2022 (\$ in thousands):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 826.1%							
Ad.net Acquisition, LLC	5/6/2026	Media	10.84 %	3M L+600	4,925	\$ 4,925	\$ 4,888
Alpine Acquisition Corp II	11/30/2026	Containers, Packaging and Glass	8.69 %	3M L+800	14,975	14,604	14,376
Altamira Technologies, LLC	7/24/2025	Aerospace and Defense	10.24 %	3M L+550	859	852	844
American Insulated Glass, LLC	12/21/2023	Building Materials	8.25 %	3M L+575	19,846	19,817	19,846
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	6/10/2025	Media	10.98 %	1M L+550	14,067	13,946	13,786
Anteradi, LLC (f/k/a MeritDirect, LLC)	5/23/2024	Media	10.23 %	3M L+550	14,964	14,891	14,964
Any Hour Services	7/21/2027	Personal, Food and Miscellaneous Services	10.17 %	3M L+575	9,902	9,894	9,629
Apex Service Partners, LLC	7/31/2025	Personal, Food and Miscellaneous Services	9.47 %	3M L+575	6,569	6,507	6,536
Apex Service Partners, LLC Term Loan B	7/31/2025	Personal, Food and Miscellaneous Services	9.63 %	3M L+550	3,323	3,300	3,307
Apex Service Partners, LLC - Term Loan C	7/31/2025	Personal, Food and Miscellaneous Services	6.50 %	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/2026	Environmental Services	10.48 %	3M L+500	8,804	8,713	8,583
Arcfield Acquisition Corp.	3/7/2028	Aerospace and Defense	10.02 %	3M L+575	11,940	11,733	11,701
Beta Plus Technologies, Inc.	7/1/2029	Business Services	8.87 %	1M L+525	15,000	14,708	14,850
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	9.50 %	3M L+600	17,951	17,761	17,555
Broder Bros., Co.	12/4/2025	Personal and Non-Durable Consumer Products	10.73 %	3M L+600	9,937	9,937	9,937
Burgess Point Purchaser Corporation	9/26/2029	Auto Sector	9.67 %	SOFR+525	900	838	812
Cartessa Aesthetics, LLC	5/13/2028	Distribution	10.58 %	3M L+600	17,413	17,097	17,238
CF512, Inc.	8/20/2026	Media	9.08 %	3M L+575	2,977	2,952	2,918
Connatix Buyer, Inc.	7/13/2027	Media	10.14 %	1M L+550	8,999	8,983	8,707
Dr. Squatch, LLC	8/31/2027	Personal and Non-Durable Consumer Products	10.48 %	3M L+475	6,419	6,412	6,322
DRI Holding Inc.	12/21/2028	Media	9.63 %	3M L+575	4,415	3,951	3,781
DRS Holdings III, Inc.	11/3/2025	Consumer Products	10.48 %	3M L+600	14,670	14,598	14,201
Duraco Specialty Tapes LLC	6/30/2024	Manufacturing / Basic Industries	9.89 %	3M L+575	8,118	8,006	7,989
ECL Entertainment, LLC	5/1/2028	Hotels, Motels, Inns and Gaming	11.88 %	3M L+500	4,546	4,546	4,531
ECM Industries, LLC	12/23/2025	Electronics	9.48 %	3M L+600	2,808	2,752	2,675
Electro Rent Corporation	1/17/2024	Electronics	10.27 %	3M L+550	4,600	4,398	4,416
Exigo Intermediate II, LLC	3/15/2027	Business Services	9.82 %	1M L+575	9,925	9,799	9,727
Fairbanks Morse Defense	6/17/2028	Aerospace and Defense	9.48 %	6M L+475	796	751	755
Global Holdings InterCo LLC	3/16/2026	Banking, Finance, Insurance & Real Estate	10.19 %	3M L+600	7,343	7,314	7,013
Graffiti Buyer, Inc.	8/10/2027	Distribution	10.23 %	3M L+550	1,969	1,935	1,890
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	10.23 %	1M L+575	6,833	6,833	6,696
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	10.17 %	1M L+800	19,865	19,494	19,467
HV Watterson Holdings, LLC	12/17/2026	Business Services	10.73 %	3M L+600	15,217	15,021	14,426
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+700	14,325	14,209	14,146
Icon Partners III, LP	5/11/2028	Auto Sector	8.82 %	3M L+475	2,322	2,002	1,558
IDC Infusion Services, Inc.	12/30/2026	Healthcare, Education and Childcare	11.23 %	3M L+750	17,356	17,124	16,749
IG Investments Holdings, LLC	9/22/2028	Business Services	10.38 %	1M L+575	4,462	4,380	4,395
Imagine Acquisitionco, LLC	11/15/2027	Business Services	10.14 %	3M L+625	5,608	5,511	5,440
Inception Fertility Ventures, LLC	12/7/2023	Healthcare, Education and Childcare	11.95 %	3M L+550	19,900	19,557	19,502
Infolinks Media Buyco, LLC	11/1/2026	Media	10.23 %	1M L+550	6,412	6,412	6,412
Integrity Marketing Acquisition, LLC	8/27/2025	Insurance	9.33 %	3M L+575	19,952	19,872	19,652
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	12.07 %	3M L+550	13,543	13,449	13,543
LAV Gear Holdings, Inc.	10/31/2024	Leisure, Amusement, Motion Pictures, Entertainment	10.23 %	3M L+500	2,132	2,124	2,102
Lash OpCo, LLC	2/18/2027	Consumer Products	11.17 %	1M L+650	19,925	19,731	19,526
Lightspeed Buyer Inc.	2/3/2026	Healthcare, Education and Childcare	9.57 %	3M L+475	12,313	12,101	12,005
MAG DS Corp.	4/1/2027	Aerospace and Defense	10.23 %	3M L+550	5,555	5,133	5,055
Magenta Buyer, LLC	7/31/2028	Software	9.17 %	3M L+500	3,814	3,558	3,246
Mars Acquisition Holdings Corp.	5/14/2026	Media	10.23 %	1M L+625	7,900	7,843	7,821
MBS Holdings, Inc.	4/16/2027	Telecommunications	10.13 %	3M L+575	7,388	7,309	7,314
Meadowlark Acquirer, LLC	12/10/2027	Business Services	8.96 %	3M L+575	2,975	2,921	2,946
Municipal Emergency Services, Inc.	9/28/2027	Distribution	8.67 %	3M L+550	4,143	4,085	3,978
NBH Group LLC	8/19/2026	Healthcare, Education and Childcare	9.05 %	3M L+575	7,486	7,411	7,486
Owl Acquisition, LLC	2/4/2028	Education	8.41 %	3M L+550	3,980	3,865	3,881
Ox Two, LLC (New Issue)	5/18/2026	Distribution	10.84 %	1M L+650	4,950	4,900	4,801
PL Acquisitionco, LLC	11/9/2027	Retail	10.88 %	1M L+575	8,613	8,471	8,397
PlayPower, Inc.	5/8/2026	Consumer Products	12.00 %	1M L+525	2,572	2,485	2,238
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	10.94 %	1M L+600	3,348	3,290	3,274
Quantic Electronics, LLC - Unfunded Term Loan	11/19/2026	Aerospace and Defense	0.00 %	3M L+625	56	-	-
Radius Aerospace, Inc.	3/31/2025	Aerospace and Defense	9.87 %	3M L+600	12,744	12,650	12,489
Rancho Health MSO, Inc.	12/18/2025	Healthcare, Education and Childcare	9.42 %	1M L+450	5,167	5,167	5,167
Reception Purchaser, LLC	2/28/2028	Transportation	10.42 %	SOFR+600	4,963	4,893	4,764
Recteq, LLC	1/29/2026	Consumer Products	10.98 %	3M L+700	9,825	9,701	9,481
Research Now Group, LLC and Dynata, LLC	12/20/2024	Business Services	8.84 %	1M L+550	14,542	14,452	10,776
Riverpoint Medical, LLC	6/20/2025	Healthcare, Education and Childcare	9.73 %	3M L+525	3,192	3,174	3,109
Riverside Assessments, LLC	3/10/2025	Education	10.48 %	1M L+575	9,923	9,855	9,750
Sales Benchmark Index LLC	1/3/2025	Business Services	10.73 %	3M L+625	6,859	6,787	6,825
Sargent & Greenleaf Inc.	12/20/2024	Electronics	9.89 %	3M L+550	4,886	4,886	4,813
Seaway Buyer, LLC	6/13/2029	Chemicals, Plastics and Rubber	10.73 %	3M L+575	14,963	14,767	14,738
Signature Systems Holding Company	5/3/2024	Chemicals, Plastics and Rubber	10.17 %	1M L+450	11,764	11,701	11,764
Solutionreach, Inc.	1/17/2024	Communications	10.13 %	6M L+675	11,353	11,324	11,047
STV Group Incorporated	12/11/2026	Transportation	9.67 %	3M L+575	12,099	12,033	12,038

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
Summit Behavioral Healthcare, LLC	11/24/2028	Healthcare, Education and Childcare	9.45 %	3M L+475	3,599	3,397	3,383
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	10.94 %	SOFR+600	16,087	15,759	15,878
Team Services Group, LLC	11/24/2028	Healthcare, Education and Childcare	9.95 %	SOFR+500	700	669	662
Teneo Holdings LLC	7/18/2025	Financial Services	9.67 %	3M L+525	4,104	4,041	3,940
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	10.70 %	3M L+600	11,180	11,081	11,068
The Bluebird Group LLC	7/27/2026	Business Services	11.98 %	3M L+650	5,474	5,517	5,370
The Vertex Companies, LLC	8/30/2027	Business Services	9.88 %	3M L+550	4,520	4,476	4,425
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	9.24 %	3M L+525	5,522	5,388	5,372
TVC Enterprises, LLC	3/26/2026	Transportation	10.13 %	3M L+600	17,180	17,054	16,750
TWS Acquisition Corporation	6/16/2025	Education	11.46 %	3M L+625	7,949	7,920	7,949
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	9.25 %	3M L+550	12,034	11,912	10,903
UBEO, LLC	4/3/2024	Printing and Publishing	9.23 %	3M L+450	4,674	4,659	4,604
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	9.98 %	3M L+525	9,950	9,820	9,691
Wildcat Buyerco, Inc.	2/27/2026	Electronics	9.81 %	SOFR+575	11,477	11,396	11,082
Zips Car Wash, LLC	3/1/2024	Business Services	11.55 %	3M L+725	19,898	19,623	19,450
Total First Lien Secured Debt						<u>746,720</u>	<u>734,690</u>
Total Investments - 826.1%							
Cash and Cash Equivalents - 40.2%							
BlackRock Federal FD Institutional 30						<u>35,708</u>	<u>35,708</u>
Total Cash and Cash Equivalents						<u>35,708</u>	<u>35,708</u>
Total Investments and Cash Equivalents - 866.2%						<u>\$ 782,428</u>	<u>\$ 770,398</u>
Liabilities in Excess of Other Assets — (766.2)%							<u>(681,462)</u>
Members' Equity—100.0%							<u>\$ 88,936</u>

⁽¹⁾ Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR, or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

⁽²⁾ Valued based on PSLF's accounting policy.

⁽³⁾ Represents the purchase of a security with delayed settlement or a revolving line of credit that is currently an unfunded investment. This security does not earn a basis point spread above an index while it is unfunded.

Below is a listing of PSLF's individual investments as of September 30, 2022 (\$ in thousands):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
First Lien Secured Debt - 864.4%							
Ad.net Acquisition, LLC	05/06/26	Media	9.67 %	3M L+600	\$ 4,938	\$ 4,938	\$ 4,900
Alpine Acquisition Corp II	11/30/26	Containers, Packaging and Glass	8.69 %	3M L+800	9,975	9,785	9,576
Altamira Technologies, LLC	07/24/25	Aerospace and Defense	10.81 %	3M L+550	871	864	841
American Insulated Glass, LLC	12/21/23	Building Materials	7.79 %	3M L+575	19,906	19,867	19,906
Amsive Holding Corporation (f/k/a Vision Purchaser Corporation)	06/10/25	Media	9.95 %	1M L+550	14,104	13,968	13,892
Anterlad, LLC (f/k/a MeritDirect, LLC)	05/23/24	Media	9.17 %	3M L+550	15,168	15,084	15,168
Any Hour Services	07/21/27	Personal, Food and Miscellaneous Services	7.98 %	3M L+575	9,942	9,934	9,743
Apex Service Partners, LLC	07/31/25	Personal, Food and Miscellaneous Services	6.25 %	3M L+575	6,569	6,502	6,536
Apex Service Partners, LLC Term Loan B	07/31/25	Personal, Food and Miscellaneous Services	6.55 %	3M L+550	3,323	3,298	3,307
Apex Service Partners, LLC - Term Loan C	07/31/25	Personal, Food and Miscellaneous Services	6.50 %	3M L+600	7,607	7,607	7,569
Applied Technical Services, LLC	12/29/26	Environmental Services	9.42 %	3M L+500	8,822	8,725	8,602
Arcfield Acquisition Corp.	03/07/28	Aerospace and Defense	8.99 %	3M L+575	11,940	11,721	11,701
Beta Plus Technologies, Inc.	07/01/29	Business Services	7.56 %	1M L+525	15,000	14,700	14,700
Blackhawk Industrial Distribution, Inc.	09/17/24	Distribution	8.57 %	3M L+600	17,993	17,772	17,596
Broder Bros., Co.	12/02/22	Personal, Food and Miscellaneous Services	7.39 %	3M L+600	9,937	9,937	9,937
Cartessa Aesthetics, LLC	05/13/28	Distribution	9.55 %	3M L+600	17,456	17,131	17,194
CF512, Inc.	08/20/26	Media	9.08 %	3M L+575	2,985	2,958	2,940
Connatix Buyer, Inc.	07/13/27	Media	8.42 %	1M L+550	9,045	9,029	8,819
Dr. Squatch, LLC	08/31/27	Personal and Non-Durable Consumer Products	9.42 %	3M L+475	6,435	6,427	6,338
DRH Holding Inc.	12/21/28	Media	8.37 %	3M L+575	2,776	2,526	2,489
DRS Holdings III, Inc.	11/03/25	Consumer Products	8.87 %	3M L+600	15,142	15,063	14,658
Duraco Specialty Tapes LLC	06/30/24	Manufacturing / Basic Industries	8.62 %	3M L+575	8,139	8,008	7,944
ECL Entertainment, LLC	05/01/28	Hotels, Motels, Inns and Gaming	10.62 %	3M L+500	4,558	4,558	4,489
ECM Industries, LLC	12/23/25	Electronics	6.32 %	3M L+600	2,823	2,761	2,689
Exigo Intermediate II, LLC	03/15/27	Business Services	8.87 %	1M L+575	9,950	9,817	9,726
Fairbanks Morse Defense	06/17/28	Aerospace and Defense	7.63 %	6M L+475	800	754	740
Global Holdings InterCo LLC	03/16/26	Banking, Finance, Insurance & Real Estate	8.74 %	3M L+600	7,343	7,313	7,013
Graffiti Buyer, Inc.	08/10/27	Distribution	8.00 %	3M L+550	1,974	1,939	1,895
Hancock Roofing and Construction L.L.C.	12/31/26	Insurance	8.67 %	1M L+575	6,835	6,835	6,733
Holdco Sands Intermediate, LLC	11/23/28	Aerospace and Defense	10.17 %	1M L+800	19,915	19,535	19,516
HV Watterson Holdings, LLC	12/17/26	Business Services	9.67 %	3M L+600	15,255	15,045	14,721
HW Holdco, LLC	12/10/24	Media	6.00 %	3M L+700	14,438	14,303	14,257
Icon Partners III, LP	05/11/28	Auto Sector	6.87 %	3M L+475	2,333	2,001	1,705
IDC Infusion Services, Inc.	12/30/26	Healthcare, Education and Childcare	10.20 %	3M L+750	17,400	17,154	16,617
IG Investments Holdings, LLC	09/22/28	Business Services	9.45 %	1M L+575	4,473	4,388	4,428
Imagine Acquisitionco, LLC	11/15/27	Business Services	6.91 %	3M L+625	5,636	5,534	5,495
Inception Fertility Ventures, LLC	12/07/23	Healthcare, Education and Childcare	9.96 %	3M L+550	20,000	19,545	19,800
Infolinks Media Buyco, LLC	11/01/26	Media	9.42 %	1M L+550	6,428	6,428	6,428
Integrity Marketing Acquisition, LLC	08/27/25	Insurance	9.21 %	3M L+575	19,954	19,866	19,754
K2 Pure Solutions NoCal, L.P.	12/20/23	Chemicals, Plastics and Rubber	11.12 %	3M L+550	14,438	14,316	14,438
LAV Gear Holdings, Inc.	10/31/24	Leisure, Amusement, Motion Pictures, Entertainment	9.95 %	3M L+500	2,137	2,129	2,088
Lash OpCo, LLC	02/18/27	Consumer Products	11.17 %	1M L+650	19,925	19,708	19,526
Lightspeed Buyer Inc.	02/03/26	Healthcare, Education and Childcare	8.87 %	3M L+475	12,345	12,119	11,944
MAG DS Corp.	04/01/27	Aerospace and Defense	9.17 %	3M L+550	5,570	5,128	5,069
Magenta Buyer, LLC	07/31/28	Software	7.87 %	3M L+500	3,140	2,946	2,826
Mars Acquisition Holdings Corp.	05/14/26	Media	8.62 %	1M L+625	7,920	7,861	7,880
MBS Holdings, Inc.	04/16/27	Telecommunications	8.56 %	3M L+575	7,406	7,326	7,332
Meadowlark Acquirer, LLC	12/10/27	Business Services	9.17 %	3M L+575	2,983	2,926	2,953
Municipal Emergency Services, Inc.	09/28/27	Distribution	7.25 %	3M L+550	4,164	4,102	3,923
NBH Group LLC	08/19/26	Healthcare, Education and Childcare	7.80 %	3M L+575	7,505	7,426	7,505
OIS Management Services, LLC	07/09/26	Healthcare, Education and Childcare	9.45 %	3M L+600	5,257	5,210	5,257
Owl Acquisition, LLC	02/04/28	Education	8.41 %	3M L+550	3,990	3,874	3,890
Ox Two, LLC (New Issue)	05/18/26	Distribution	8.32 %	1M L+650	4,962	4,911	4,863
PL Acquisitionco, LLC	11/09/27	Retail	9.62 %	1M L+575	8,634	8,489	8,419
PlayPower, Inc.	05/08/26	Consumer Products	9.17 %	1M L+525	2,580	2,487	2,309
Quantic Electronics, LLC	11/19/26	Aerospace and Defense	9.92 %	1M L+600	3,403	3,342	3,335
Quantic Electronics, LLC - Unfunded Term Loan	11/19/26	Aerospace and Defense	0.00 %	3M L+625	143	-	(1)
Radius Aerospace, Inc.	03/31/25	Aerospace and Defense	9.46 %	3M L+600	12,757	12,657	12,566
Rancho Health MSO, Inc.	12/18/25	Healthcare, Education and Childcare	7.75 %	1M L+450	5,180	5,180	5,180
Reception Purchaser, LLC	02/28/28	Transportation	9.13 %	SOFR+600	4,975	4,904	4,751
Recteq, LLC	01/29/26	Consumer Products	9.92 %	3M L+700	9,850	9,718	9,505
Research Now Group, LLC and Dynata, LLC	12/20/24	Business Services	8.84 %	1M L+550	14,542	14,440	13,070
Riverpoint Medical, LLC	06/20/25	Healthcare, Education and Childcare	7.74 %	3M L+525	3,192	3,172	3,112
Riverside Assessments, LLC	03/10/25	Education	9.95 %	1M L+575	9,949	9,872	9,750
Sales Benchmark Index LLC	01/03/25	Business Services	9.67 %	3M L+625	6,859	6,779	6,791
Sargent & Greenleaf Inc.	12/20/24	Electronics	7.15 %	3M L+550	5,082	5,082	5,031
Seaway Buyer, LLC	06/13/29	Chemicals, Plastics and Rubber	7.90 %	3M L+575	15,000	14,794	14,775
Signature Systems Holding Company	05/03/24	Chemicals, Plastics and Rubber	10.17 %	1M L+450	11,951	11,879	11,861
Solutionreach, Inc.	01/17/24	Communications	8.87 %	6M L+675	11,386	11,352	11,113
STV Group Incorporated	12/11/26	Transportation	8.37 %	3M L+575	12,099	12,031	11,978

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par	Cost	Fair Value ⁽²⁾
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	8.73 %	SOFR+600	16,128	15,785	15,870
Teneo Holdings LLC	7/18/2025	Financial Services	7.73 %	3M L+525	3,474	3,435	3,271
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	9.67 %	3M L+600	11,208	11,102	11,096
The Bluebird Group LLC	7/27/2026	Business Services	10.67 %	3M L+650	5,502	5,549	5,557
The Vertex Companies, LLC	8/30/2027	Business Services	8.62 %	3M L+550	4,531	4,485	4,509
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Food	7.78 %	3M L+525	5,536	5,392	5,370
TVC Enterprises, LLC	3/26/2026	Transportation	8.87 %	3M L+600	17,381	17,244	16,946
TWS Acquisition Corporation	6/16/2025	Education	8.76 %	3M L+625	7,949	7,917	7,910
Tyto Athene, LLC	4/3/2028	Aerospace and Defense	7.76 %	3M L+550	12,064	11,938	11,208
UBEO, LLC	4/3/2024	Printing and Publishing	8.17 %	3M L+450	4,674	4,657	4,604
Unique Indoor Comfort, LLC	5/24/2027	Home and Office Furnishings, Housewares	8.95 %	3M L+525	9,975	9,840	9,755
Wildcat Buyerco, Inc.	2/27/2026	Electronics	9.45 %	SOFR+575	11,506	11,420	11,110
Zips Car Wash, LLC	3/1/2024	Business Services	10.24 %	3M L+725	19,998	19,673	19,498

Total First Lien Secured Debt						738,219	730,108
Total Investments - 864.4%							
Cash and Cash Equivalents - 50.9%							
BlackRock Federal FD Institutional 30						42,966	42,966
Total Cash and Cash Equivalents						42,966	42,966
Total Investments and Cash Equivalents - 915.3%						\$ 781,185	\$ 773,073
Liabilities in Excess of Other Assets — (815.3)%							(688,611)
Members' Equity—100.0%							\$ 84,462

⁽¹⁾ Represents floating rate instruments that accrue interest at a predetermined spread relative to an index, typically the applicable LIBOR, or "L" or Prime rate or "P". The spread may change based on the type of rate used. The terms in the Schedule of Investments disclose the actual interest rate in effect as of the reporting period. LIBOR loans are typically indexed to a 30-day, 60-day, 90-day or 180-day LIBOR rate (1M L, 2M L, 3M L, or 6M L, respectively), at the borrower's option. All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted. The spread provided includes PIK interest and other fee rates, if any.

⁽²⁾ Valued based on PSLF's accounting policy.

Below are the consolidated statements of assets and liabilities for PSLF, (\$ in thousands):

	December 31, 2022 (Unaudited)		September 30, 2022	
Assets				
Investments at fair value (cost—\$746,720 and \$738,219, respectively)	\$	734,690	\$	730,108
Cash and cash equivalents (cost—\$35,708 and \$42,966, respectively)		35,708		42,966
Receivable for investments sold		1,423		3,870
Interest receivable		3,887		2,970
Prepaid expenses and other assets		1,231		1,373
Total assets		776,939		781,287
Liabilities				
Credit facility payable		264,600		257,600
2034 Asset-backed debt, net (par—\$246,000)		243,993		243,896
Notes payable to members		157,605		145,472
Payable for investments purchased		5,821		37,658
Interest payable on credit facility and asset backed debt		6,960		4,676
Distribution payable to Members		5,000		4,000
Interest payable on notes to members		3,376		2,703
Accrued expenses		648		820
Total liabilities		688,003		696,825
Commitments and contingencies ⁽¹⁾				
Members' equity		88,936		84,462
Total liabilities and members' equity	\$	776,939	\$	781,287

⁽¹⁾ As of December 31, 2022 and September 30, 2022, PSLF did not have any unfunded commitments to fund investments.

Below are the consolidated statements of operations for PSLF, (\$ in thousands):

	Three Months Ended December 31,	
	2022	2021
Investment income:		
Interest	\$ 18,845	\$ 7,570
Other income	97	103
Total investment income	18,942	7,673
Expenses:		
Interest expense on credit facility and asset-backed debt	7,815	1,609
Interest expense on notes to members	4,723	2,439
Administrative services expenses	727	293
General and administrative expenses	114	112
Total expenses	13,379	4,453
Net investment income	5,563	3,220
Realized and unrealized gain (loss) on investments:		
Net realized gain (loss) on investments	(33)	(1)
Net change in unrealized appreciation (depreciation) on investments	(3,922)	506
Net realized and unrealized gain (loss) from investments	(3,955)	505
Net increase (decrease) in members' equity resulting from operations	\$ 1,608	\$ 3,725

⁽¹⁾ No management or incentive fees are payable by PSLF.

Distributions

In order to be treated as a RIC for federal income tax purposes and to not be subject to corporate-level tax on undistributed income or gains, we are required, under Subchapter M of the Code, to annually distribute dividends for U.S. federal income tax purposes to our stockholders out of the assets legally available for distribution of an amount generally at least equal to 90% of our investment company taxable income, determined without regard to any deduction for dividends paid.

Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4% nondeductible federal excise tax imposed on RICs, we must distribute dividends for U.S. federal income tax purposes to our stockholders in respect of each calendar year of an amount at least equal to the Excise Tax Avoidance Requirement. In addition, although we may distribute realized net capital gains (i.e., net long-term capital gains in excess of net short-term capital losses), if any, at least annually, out of the assets legally available for such distributions in the manner described above, we have retained and may continue to retain such net capital gains or investment company taxable income, contingent on our ability to be subject to tax as a RIC, in order to provide us with additional liquidity.

During the three months ended December 31, 2022, we declared distributions of \$0.17 per share, for total distributions of \$10.8 million. For the same periods in the prior year, we declared distributions of \$0.12 per share, for total distributions of \$8.0 million. We monitor available net investment income to determine if a return of capital for tax purposes may occur for the fiscal year. To the extent our taxable earnings fall below the total amount of our distributions for any given fiscal year, stockholders will be notified of the portion of those distributions deemed to be a tax return of capital. Tax characteristics of all distributions will be reported to stockholders subject to information reporting on Form 1099-DIV after the end of each calendar year and in our periodic reports filed with the SEC.

We intend to continue to make quarterly distributions to our stockholders. Our quarterly distributions, if any, are determined by our board of directors.

We maintain an “opt out” dividend reinvestment plan for our common stockholders. As a result, if we declare a distribution, then stockholders’ cash distributions will be automatically reinvested in additional shares of our common stock, unless they specifically “opt out” of the dividend reinvestment plan so as to receive cash distributions.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage ratio for borrowings applicable to us as a BDC under the 1940 Act and/or due to provisions in future credit facilities. If we do not distribute at least a certain percentage of our income annually, we could suffer adverse tax consequences, including possible loss of our ability to be subject to tax as a RIC. We cannot assure stockholders that they will receive any distributions at a particular level.

Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update, or ASU, No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The guidance provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships and other transactions, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company utilized the optional expedients and exceptions provided by ASU 2020-04 during the year ended September 30, 2022, the effect of which was not material to the consolidated financial statements and the notes thereto. The Company continues to evaluate the potential impact that the amendments in this update will have on its consolidated financial statements and disclosures.

In March 2022, the FASB issued ASU 2022-02, “Financial Instruments - Credit Losses (Topic 326)”, which is intended to address issues identified during the post-implementation review of ASU 2016-13, “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.” The amendment, among other things, eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, “Receivables - Troubled Debt Restructurings by Creditors”, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. The new guidance is effective for interim and annual periods beginning after December 15, 2022. The Company is currently evaluating the impact of the adoption of ASU 2022-02 on its consolidated financial statement and disclosures, but the impact of the adoption is not expected to be material.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, or ASU 2022-03, which changed the fair value measurement disclosure requirements of ASC Topic 820, Fair Value Measurements and Disclosures, or ASC 820. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The new guidance is effective for fiscal years beginning after December 15, 2023, including interim periods therein. Early application is permitted. The Company is currently evaluating the impact the adoption of this new accounting standard will have on its consolidated financial statements, but the impact of the adoption is not expected to be material.

Share Repurchase Program

On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25 million of our outstanding common shares in the open market at prices below our net asset value as reported in our then most recently published consolidated financial statements. The shares may be purchased from time to time at prevailing market prices, through open market transactions, including block transactions. Unless extended by our board of directors, the program, which may be implemented at the discretion of management, will expire on the earlier of March 31, 2023 and the repurchase of \$25 million of common shares. During the three months ended December 31, 2022 and 2021, we did not make any repurchases of our common shares, respectively.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. As of December 31, 2022, our debt portfolio consisted of 96.0% variable-rate investments and 4.0% fixed rate investments. The variable-rate loans are usually based on a SOFR (or an alternative risk-free floating interest rate index) rate and typically have durations of three months after which they reset to current market interest rates. Variable-rate investments subject to a floor generally reset by reference to the current market index after one to nine months only if the index exceeds the floor. In regard to variable-rate instruments with a floor, we do not benefit from increases in interest rates until such rates exceed the floor and thereafter benefit from market rates above any such floor. In contrast, our cost of funds, to the extent it is not fixed, will fluctuate with changes in interest rates since it has no floor.

Assuming that the most recent Consolidated Statements of Assets and Liabilities was to remain constant, and no actions were taken to alter the interest rate sensitivity, the following table shows the annualized impact of hypothetical base rate changes in interest rates:

Change in Interest Rates	Change in Interest Income, Net of Interest Expense (in thousands)	Change in Interest Income, Net of Interest Expense Per Share
Down 1%	\$ (5,378)	\$ (0.08)
Up 1%	5,378	0.08
Up 2%	10,755	0.16
Up 3%	16,133	0.25
Up 4%	21,514	0.33

Although management believes that this measure is indicative of our sensitivity to interest rate changes, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets on the Consolidated Statements of Assets and Liabilities and other business developments that could affect net increase in net assets resulting from operations, or net investment income. Accordingly, no assurances can be given that actual results would not differ materially from those shown above.

Because we borrow money to make investments, our net investment income is dependent upon the difference between the rate at which we borrow funds and the rate at which we invest these funds as well as our level of leverage. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income or net assets.

We may hedge against interest rate and foreign currency fluctuations by using standard hedging instruments such as futures, options and forward contracts or our Truist Credit Facility subject to the requirements of the 1940 Act and applicable commodities laws. While hedging activities may insulate us against adverse changes in interest rates and foreign currencies, they may also limit our ability to participate in benefits of lower interest rates or higher exchange rates with respect to our portfolio of investments with fixed interest rates or investments denominated in foreign currencies. During the periods covered by this Report, we did not engage in interest rate hedging activities or foreign currency derivatives hedging activities.

Item 4. Controls and Procedures

As of the period covered by this Report, we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). As disclosed in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, a material weakness was previously identified in connection with our internal control over financial reporting relating to procedures ensuring the timely transmission of portfolio company financial information to our independent valuation service providers. We have taken steps to remediate this material weakness, which steps have included (i) enhancing existing controls to ensure the timely transmission of all relevant portfolio company financial information to our independent service providers and (ii) enhancing policies and procedures to demonstrate a commitment to improving our overall control environment.

Taking the above efforts into consideration, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures for the quarter ended December 31, 2022 were effective and provided reasonable assurance that information required to be disclosed in our periodic filings with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

Other than disclosed in this Item 4, there have been no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None of us, our Investment Adviser or our Administrator, is currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us, or against our Investment Adviser or Administrator. From time to time, we, our Investment Adviser or Administrator may be a party to certain legal proceedings, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should consider carefully the factors discussed below, as well as in Part I “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 filed on November 17, 2022 which could materially affect our business, financial condition and/or operating results. The risks described below, as well as in our Annual Report on Form 10-K, are not the only risks facing PennantPark Investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

Legislation enacted in 2018 allows us to incur additional leverage.

A BDC has historically been able to issue “senior securities,” including borrowing money from banks or other financial institutions, only in amounts such that its asset coverage, as defined in Section 61(a)(2) of the 1940 Act, equals at least 200% after such incurrence or issuance. In March 2018, the Consolidated Appropriations Act of 2018 (which includes the SBCAA) was enacted which amended the 1940 Act to decrease this percentage from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity) for a BDC that has received either stockholder approval or approval of a “required majority” (as defined in Section 57(o) of the 1940 Act) of its board of directors of the application of such lower asset coverage ratio to the BDC. On February 5, 2019, our stockholders approved such reduction, as approved by our board of directors on November 13, 2018. As of February 5, 2019, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirements, which may increase the risk of investing in us. Under the 200% minimum asset coverage ratio, we were permitted to borrow up to one dollar for investment purposes for every one dollar of investor equity and, under the 150% minimum asset coverage ratio, we are permitted to borrow up to two dollars for investment purposes for every one dollar of investor equity. In other words, Section 61(a)(2) of the 1940 Act permits BDCs to potentially increase their debt-to-equity ratio from a maximum of 1-to-1 to a maximum of 2-to-1. In addition, since our base management fee is determined and payable based upon our average adjusted gross assets, which includes any borrowings for investment purposes, our base management fee expense may increase if we incur additional leverage. Effective February 5, 2019, base management fees were reduced from 1.50% to 1.00% on gross assets that exceed 200% of the Company’s total net assets as of the immediately preceding quarter-end.

Because we intend to distribute substantially all of our income to our stockholders to maintain our ability to be subject to tax as a RIC, we may need to raise additional capital to finance our growth. If funds are not available to us, we may need to curtail new investments, and our common stock value could decline.

In connection with satisfying the requirements to be subject to tax as a RIC for federal income tax purposes, we intend to distribute to our stockholders substantially all of our investment company taxable income and net capital gains each taxable year. However, we may retain all or a portion of our net capital gains and incur applicable income taxes with respect thereto and elect to treat such retained net capital gains as deemed dividend distributions to our stockholders.

As noted above, on November 13, 2018 and February 5, 2019, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), and our stockholders, respectively, approved a reduction of our asset coverage ratio from 200% to 150%. As a result, as of February 6, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% (i.e., \$1 of debt outstanding for each \$1 of equity) to 150% (i.e., \$2 of debt outstanding for each \$1 of equity). If we incur additional indebtedness under this provision, the risk of investing in us will increase. If the value of our assets declines, we may be unable to satisfy this asset coverage test. If that happens, we may be required to sell a portion of our investments or sell additional common stock and, depending on the nature of our leverage, to repay a portion of our indebtedness at a time when such sales and repayments may be disadvantageous. In addition, the issuance of additional securities could dilute the percentage ownership of our current stockholders in us.

We are partially dependent on our SBIC Fund for cash distributions to enable us to meet the distribution requirements in order to permit us to be subject to tax as a RIC. In this regard, our SBIC Fund is limited by the SBA regulations governing SBICs from making certain distributions to us that may be necessary to satisfy the requirements to be subject to tax as a RIC. In such a case, we would need to request a waiver of the SBA’s restrictions for our SBIC Fund to make certain distributions to enable us to be subject to tax as a RIC. We cannot assure you that the SBA will grant such waiver, and if our SBIC Fund is unable to obtain a waiver, compliance with the SBA regulations may cause us to incur a corporate-level income tax.

If we incur additional debt, it could increase the risk of investing in our shares.

We have indebtedness outstanding pursuant to the Truist Credit Facility, 2024 Notes, 2026 Notes, 2026 Notes-2 and SBA debentures and expect in the future to borrow additional amounts under the Truist Credit Facility or other debt securities, subject to market availability, and, may increase the size of the Truist Credit Facility. We cannot assure you that our leverage will remain at current levels. The amount of leverage that we employ will depend upon our assessment of the market and other factors at the time of any proposed borrowing. Lenders have fixed dollar claims on our assets that are superior to the claims of our common stockholders or preferred stockholders, if any, and we have granted a security interest in our assets, excluding those of SBIC II, in connection with borrowings under the Truist Credit Facility. In the case of a liquidation event, those lenders would receive proceeds before our stockholders. Additionally, the SBA, as a lender and an administrative agent, has a superior claim over the assets of SBIC II in relation to our other creditors. Any future debt issuance will increase our leverage and may be subordinate to the Truist Credit Facility and SBA debentures. In addition, borrowings or debt issuances and SBA debentures, also known as leverage, magnify the potential for loss or gain on amounts invested and, therefore, increase the risks associated with investing in our securities. Leverage is generally considered a speculative investment technique. If the value of our assets decreases, then leveraging would cause the net asset value attributable to our common stock to decline more than it otherwise would have had we not utilized leverage. Similarly, any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common or preferred stock. Our ability to service any debt that we incur depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures.

As noted above, on November 13, 2018 and February 5, 2019, our board of directors, including a “required majority” (as such term is defined in Section 57(o) of the 1940 Act), and our stockholders, respectively, approved a reduction of our asset coverage ratio. As a result, as of February 6, 2019, the asset coverage requirement applicable to us for senior securities was reduced from 200% to 150%. As of such date, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirements, which may increase the risk of investing in us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

No unregistered securities were sold in the quarter ended December 31, 2022.

Issuer Purchases of Equity Securities

Repurchases of our common stock under our share repurchase program are as follows:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾</u>	<u>Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in thousands)</u>
January 1, 2022 through March 31, 2022	913,454	\$ 7.72	913,454	\$ 17,944
April 1, 2022 through June 30, 2022	717,709	\$ 6.91	1,631,163	\$ 12,986
July 1, 2022 through September 30, 2022	189,442	\$ 6.52	1,820,605	\$ 11,751
October 1, 2022 through December 31, 2022	—	\$ -	1,820,605	\$ 11,751
Total investments	1,820,605	\$ 7.28		

(1) On February 9, 2022, we announced a share repurchase program which allows us to repurchase up to \$25.0 million of our outstanding common stock. Unless extended by our board of directors, the program will expire on the earlier of March 31, 2023 and the repurchase of \$25.0 million of common stock.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Unless specifically indicated otherwise, the following exhibits are incorporated by reference to exhibits previously filed with the SEC:

- 3.1 [Articles of Incorporation \(Incorporated by reference to Exhibit 99\(a\) to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2/A \(File No. 333-140092\), filed on April 5, 2007\).](#)
- 3.2 [Second Amended and Restated Bylaws of the Registrant \(Incorporated by reference to Exhibit 3.2 to the Registrant's Quarterly Report on Form 10-Q \(File No. 814-00736\), filed on May 11, 2020\).](#)
- 4.1 [Form of Share Certificate \(Incorporated by reference to Exhibit 99\(d\)\(1\) to the Registrant's Registration Statement on Form N-2 \(File No. 333-150033\), filed on April 2, 2008\).](#)
- 31.1* [Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 31.2* [Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.](#)
- 32.1* [Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2* [Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 99.1 [Privacy Policy of the Registrant \(Incorporated by reference to Exhibit 99.1 to the Registrant's Annual Report on Form 10-K \(File No. 814-00736\), filed on November 16, 2011\).](#)
- 101.INS* Inline XBRL Instance Document
- 101.SCH* Inline XBRL Taxonomy Extension Schema
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

PENNANTPARK INVESTMENT CORPORATION

Date: February 8, 2023

By: _____
/s/ Arthur H. Penn
Arthur H. Penn
Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer)

Date: February 8, 2023

By: _____
/s/ Richard T. Allorto, Jr.
Richard T. Allorto, Jr.
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Arthur H. Penn, Chief Executive Officer of PennantPark Investment Corporation, certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Investment Corporation;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 8, 2023

/s/ Arthur H. Penn

Name: Arthur H. Penn

Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Richard T. Allorto, Jr., Chief Financial Officer of PennantPark Investment Corporation, certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Investment Corporation;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 8, 2023

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.

Title: Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three months ended December 31, 2022 (the "Report") of PennantPark Investment Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Arthur H. Penn, Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Arthur H. Penn

Name: Arthur H. Penn
Title: Chief Executive Officer
Date: February 8, 2023

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with this Report on Form 10-Q for the three months ended December 31, 2022 (the "Report") of PennantPark Investment Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Richard T. Allorto, Jr., Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Richard T. Allorto, Jr.

Name: Richard T. Allorto, Jr.
Title: Chief Financial Officer
Date: February 8, 2023
