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 MARCH 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: 814-00891

PENNANTPARK FLOATING RATE CAPITAL LTD.
(Exact name of registrant as specified in its charter)

MARYLAND	**27-3794690**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1691 Michigan Avenue **Miami Beach, Florida**	**33139**
(Address of principal executive offices)	**(Zip Code)**

(212) 905-1000
(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	PFLT	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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 May 4, 2022 was 41,313,145.

PENNANTPARK FLOATING RATE CAPITAL LTD.
FORM 10-Q FOR THE QUARTER ENDED MARCH 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 the context suggests otherwise, the terms “Company,” “we,” “our” or “us” refers to PennantPark Floating Rate Capital Ltd. and its wholly-owned consolidated subsidiaries; “Funding I” refers to PennantPark Floating Rate Funding I, LLC; “Taxable Subsidiary” refers to PFLT Investment Holdings, LLC; “PSSL” refers to PennantPark Senior Secured Loan Fund I LLC, an unconsolidated joint venture; “PTSF” refers to PennantPark-TSO Senior Loan Fund, LP, an unconsolidated limited partnership; “PennantPark Investment Advisers” or “Investment Adviser” refer to PennantPark Investment Advisers, LLC; “PennantPark Investment Administration” or “Administrator” refers to PennantPark Investment Administration, LLC; “2023 Notes” refers to our 4.3% Series A notes due 2023; “2026 Notes” refers to our 4.25% Notes due 2026; “1940 Act” refers to the Investment Company Act of 1940, as amended; “SBCAA” refers to the Small Business Credit Availability Act; “Code” refers to the Internal Revenue Code of 1986, as amended; “RIC” refers to a regulated investment company under the Code; “BDC” refers to a business development company under the 1940 Act; “MCG” refers to MCG Capital Corporation; “Prior Credit Facility” refers to our multi-currency senior secured revolving credit facility, as amended and restated with Truist Bank (formerly SunTrust Bank) and other lenders, originally entered into on June 23, 2011 and terminated on August 12, 2021; “Credit Facility” refers to our multi-currency senior secured revolving credit facility, as amended from time to time, with Truist Bank and other lenders, or the “Lenders,” entered into on August 12, 2021; “Securitization Issuer” refers to PennantPark CLO I, Ltd.; “Securitization Issuers” refers to the Securitization Issuer and PennantPark CLO I, LLC; “Debt Securitization” refers to the $301.4 million term debt securitization completed by the Securitization Issuers; “2031 Asset-Backed Debt” refers to (i) the issuance of the Class A-1 Senior Secured Floating Rate Notes due 2031, the Class A-2 Senior Secured Fixed Rate Notes due 2031, the Class B-1 Senior Secured Floating Rate Notes due 2031, the Class B-2 Senior Secured Fixed Rate Notes due 2031, the Class C-1 Secured Deferrable Floating Rate Notes due 2031, the Class C-2 Notes Secured Deferrable Fixed Rate Notes due 2031, and the Class D Secured Deferrable Floating Notes due 2031 and (ii) the borrowing of the Class A-1 Senior Secured Floating Rate Notes due 2031 by the Securitization Issuers in connection with the Debt Securitization; and “Depositor” refers to PennantPark CLO I Depositor, LLC. References to our portfolio, our investments, our multi-currency, senior secured revolving credit facility, as amended and restated, or the Credit Facility, and our business include investments we make through our subsidiaries.

Item 1. Consolidated Financial Statements

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES
(in thousands, except per share data)

	March 31, 2022 (unaudited)	September 30, 2021
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments (cost— $901,437 and $824,542, respectively	$ 933,041	$ 856,806
Non-controlled, affiliated investments (cost— $ — and $22,380, respectively	—	7,433
Controlled, affiliated investments (cost— $265,824 and $223,714, respectively	259,571	217,380
Total investments (cost— $1,167,262 and $1,070,636, respectively	1,192,613	1,081,619
Cash and cash equivalents (cost—$50,053 and $49,825, respectively)	50,064	49,826
Interest receivable	5,316	5,446
Receivable for investments sold	38,542	33,966
Prepaid expenses and other assets	1,356	—
Total assets	1,287,891	1,170,856
Liabilities		
Distributions payable	3,814	3,690
Payable for investments purchased	—	13,546
Credit Facility payable, at fair value (cost—$249,654 and $219,400, respectively) (See Notes 5 and 11)	249,910	218,852
2023 Notes payable, at fair value (par—$97,006 and $117,793, respectively) (See Notes 5 and 11)	88,275	111,114
2026 Notes payable, net (par—$185,000 and $100,000, respectively) (See Notes 5 and 11)	181,888	97,171
2031 Asset-Backed Debt, net (par—$228,000) (See Notes 5 and 11)	225,813	225,497
Interest payable on debt	6,975	5,455
Base management fee payable (See Note 3)	2,945	2,707
Performance-based incentive fee payable (See Note 3)	2,704	624
Deferred tax liability	5,340	—
Accrued other expenses	241	1,591
Total liabilities	767,904	680,245
Commitments and contingencies (See Note 12)		
Net assets		
Common stock, 41,209,566 and 38,880,728 shares issued and outstanding, respectively Par value $0.001 per share and 100,000,000 shares authorized	41	39
Paid-in capital in excess of par value	568,869	538,815
Accumulated deficit	(48,924)	(48,242)
Total net assets	$ 519,986	$ 490,611
Total liabilities and net assets	$ 1,287,891	$ 1,170,856
Net asset value per share	$ 12.62	$ 12.62

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Investment income:				
From non-controlled, non-affiliated investments:				
Interest	$ 16,195	$ 13,725	$ 33,052	$ 29,026
Dividend	577	—	1,154	—
Other income	686	491	3,510	1,373
From non-controlled, affiliated investments:				
Interest	—	183	112	280
Other income	—	102	—	123
From controlled, affiliated investments:				
Interest	3,240	2,659	6,405	5,322
Dividend	3,938	2,275	6,738	3,850
Other Income	—	—	—	196
Total investment income	24,635	19,435	50,971	40,169
Expenses:				
Base management fee (See Note 3)	2,945	2,634	5,841	5,350
Performance-based incentive fee (See Note 3)	2,704	1,302	5,885	3,064
Interest and expenses on debt (See Note 11)	6,705	4,781	13,344	10,122
Administrative services expenses (See Note 3)	144	300	287	600
Other general and administrative expenses	655	400	1,309	800
Expenses before provision for taxes	13,153	9,417	26,667	19,936
Provision for taxes on net investment income	100	100	200	200
Total expenses	13,253	9,517	26,867	20,136
Net investment income	11,382	9,918	24,104	20,032
Realized and unrealized (loss) gain on investments and debt:				
Net realized gain (loss) on:				
Non-controlled, non-affiliated investments	6,920	474	9,993	(1,234)
Non-controlled and controlled, affiliated investments	(22,380)	—	(22,315)	(1,052)
Net realized gain (loss) on investments	(15,460)	474	(12,322)	(2,286)
Net change in unrealized (depreciation) appreciation on:				
Non-controlled, non-affiliated investments	(5,425)	12,151	(1,038)	34,688
Controlled and non-controlled, affiliated investments	22,913	(334)	15,029	(81)
Provision for taxes on unrealized appreciation on investments	(3,800)	—	(5,340)	—
Debt depreciation (appreciation) (See Note 5 and 11)	(2,363)	(10,535)	1,247	(14,549)
Net change in unrealized (depreciation) appreciation on investments and debt	11,324	1,282	9,897	20,058
Net realized and unrealized (loss) gain from investments and debt	(4,136)	1,755	(2,424)	17,772
Net increase in net assets resulting from operations	$ 7,246	$ 11,673	$ 21,679	$ 37,804
Net increase in net assets resulting from operations per common share (See Note 7)	$ 0.18	$ 0.30	$ 0.55	$ 0.98
Net investment income per common share	$ 0.29	$ 0.26	$ 0.61	$ 0.52

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
(in thousands, except share issue data)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	**2021**	**2022**	**2021**
Net increase in net assets from operations:				
Net investment income	$ 11,382	$ 9,918	$ 24,104	$ 20,032
Net realized gain (loss) on investments	(15,460)	474	(12,322)	(2,286)
Net change in unrealized (depreciation) appreciation on investments	17,487	11,817	13,990	34,607
Net change in provision for taxes on unrealized appreciation on investments	(3,800)	—	(5,340)	—
Net change in unrealized depreciation (appreciation) on debt	(2,363)	(10,535)	1,247	(14,549)
Net increase in net assets resulting from operations	7,246	11,673	21,679	37,804
Distributions to stockholders:				
Distribution of net investment income	(11,255)	(11,050)	(22,361)	(22,100)
Total distributions to stockholders	(11,255)	(11,050)	(22,361)	(22,100)
Capital transactions				
Public offering (See Note 1)	26,995	—	30,514	—
Offering costs	(405)	—	(458)	—
Net increase in net assets resulting from capital transactions	26,590	—	30,057	—
Net increase in net assets	22,581	623	29,375	15,704
Net assets:				
Beginning of period	497,405	492,351	490,611	477,270
End of period	$ 519,986	$ 492,974	$ 519,986	$ 492,974
Capital share activity:				
Shares issued from public offering	2,058,772	—	2,328,838	—

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Six months ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net increase in net assets resulting from operations	$ 21,679	$ 37,804
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net change in unrealized depreciation on investments	(13,990)	(34,607)
Net change in unrealized (depreciation) appreciation on debt	(1,247)	14,549
Net realized loss on investments	12,322	2,286
Net accretion of discount and amortization of premium	(2,337)	(1,355)
Purchases of investments	(448,352)	(227,201)
Payment-in-kind interest	(844)	(2,056)
Proceeds from dispositions of investments	342,226	281,670
Amortization of deferred financing costs	32	331
(Increase) decrease in interest receivable	129	855
Decrease in receivable for investments sold	(4,577)	—
Increase in prepaid expenses and other assets	(1,356)	173
(Decrease) increase in payable for investments purchased	(13,546)	46,669
Decrease in interest payable on debt	1,520	(575)
Increase (decrease) in base management fee payable	238	(143)
Increase (decrease) in performance-based incentive fee payable	2,081	(770)
Increase in deferred tax liability	5,340	—
(Decrease) increase in accrued other expenses	(1,349)	120
Net cash (used in) provided by operating activities	(102,030)	117,751
Cash flows from financing activities:		
Proceeds from public offering	30,514	—
Offering costs	(458)	—
Distributions paid to stockholders	(22,238)	(22,100)
Repayment of 2023 Notes issuance (See Notes 5 and 11)	(20,787)	(20,787)
Proceeds from 2026 Notes issuance (See Notes 5 and 11)	84,333	96,841
Borrowings under Credit Facility (See Notes 5 and 11)	137,254	113,500
Repayments under Credit Facility (See Notes 5 and 11)	(107,000)	(275,199)
Net cash provided by (used in) financing activities	101,618	(107,745)
Net (decrease) increase in cash equivalents	(411)	10,007
Effect of exchange rate changes on cash	650	(946)
Cash and cash equivalents, beginning of period	49,826	57,512
Cash and cash equivalents, end of period	$ 50,064	$ 66,573
Supplemental disclosures:		
Interest paid	$ 11,356	$ 10,366
Taxes paid	$ 1,733	$ 404
Non-cash exchanges and conversions	$ 22,380	$ 20,334

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—179.4% [3], [4]							
First Lien Secured Debt—160.0%							
Ad.net Acquisition, LLC	05/06/2026	Media	7.00 %	3M L+600	4,963	4,899	4,963
Ad.net Acquisition, LLC (Revolver) [7], [9]	05/06/2026	Media	—	—	1,244	—	—
Altamira Technologies, LLC	07/24/2025	IT Services	9.00 %	3M L+800	4,932	4,886	4,734
Altamira Technologies, LLC (Revolver) [7]	07/24/2025	IT Services	9.00 %	3M L+800	575	575	552
Altamira Technologies, LLC (Revolver) [7], [9]	07/24/2025	IT Services	—	—	1,581	—	(63)
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	7,647	7,588	7,647
American Teleconferencing Services, Ltd. [7]	06/08/2023	Telecommunications	0.00% [6]	—	7,986	7,915	-
American Teleconferencing Services, Ltd. (Revolver) [7]	12/08/2022	Telecommunications	0.00% [6]	—	1,656	1,642	1,375
Any Hour Services	07/21/2027	Energy Equipment and Services	6.75 %	3M L+575	9,978	9,852	9,978
Any Hour Services Term Loan I [7], [9]	07/21/2027	Energy Equipment and Services	—	—	314	—	3
Any Hour Services Term Loan II [7], [9]	01/14/2024	Energy Equipment and Services	—	—	3,824	—	38
Any Hour Services (Revolver) [7], [9]	07/21/2027	Energy Equipment and Services	—	—	1,147	—	—
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	6.25 %	1M L+525	6,240	6,191	6,240
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	6.50 %	1M L+550	298	298	298
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	6.37 %	1M L+525	19,989	19,821	19,989
Apex Service Partners, LLC (Revolver) [7]	07/29/2024	Diversified Consumer Services	6.25 %	1M L+525	492	492	492
Apex Service Partners, LLC (Revolver) [7], [9]	07/29/2024	Diversified Consumer Services	—	—	1,353	—	—
API Technologies Corp.	05/11/2026	Electronic Equipment, Instruments, and Components	4.71 %	1M L+425	5,835	5,813	5,354
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.76 %	3M L+575	8,913	8,780	8,802
Applied Technical Services, LLC [7], [9]	06/29/2022	Commercial Services & Supplies	—	—	4,578	—	(6)
Applied Technical Services, LLC (Revolver) [7]	12/29/2026	Commercial Services & Supplies	8.25 %	3M L+475	191	191	189
Applied Technical Services, LLC (Revolver) [7], [9]	12/29/2026	Commercial Services & Supplies	—	—	1,082	—	(14)
Arcfield Acquisition Corp.	03/07/2028	Aerospace and Defense	6.50 %	3M L+575	4,700	4,607	4,606
Arcfield Acquisition Corp. (Revolver) [9]	03/07/2028	Aerospace and Defense	—	—	887	—	—
Blackhawk Industrial Distribution, Inc. [9]	09/17/2024	Distributors	—	—	1,829	—	(14)
Blackhawk Industrial Distribution, Inc. (Revolver)	09/17/2024	Distributors	6.00 %	3M L+425	183	183	180
Blackhawk Industrial Distribution, Inc. [9]	09/17/2024	Distributors	—	—	1,646	—	(25)
Broder Bros., Co.	12/02/2022	Textiles, Apparel and Luxury Goods	8.00 %	3M L+700	3,657	3,657	3,657
By Light Professional IT Services, LLC	05/16/2022	High Tech Industries	7.25 %	3M L+625	44,331	43,950	43,888
By Light Professional IT Services, LLC (Revolver) [9]	05/16/2022	High Tech Industries	—	—	4,065	—	(41)
Cadence Aerospace, LLC [7]	11/14/2023	Aerospace and Defense	9.50 % (PIK 9.50%)	3M L+850	3,018	3,005	2,994
CF512, Inc.	08/20/2026	Media	7.00 %	3M L+600	8,139	8,016	8,057
CF512, Inc. [7], [9]	08/20/2026	Media	—	—	191	—	—
CF512, Inc. (Revolver) [7], [9]	08/20/2026	Media	—	—	955	—	(10)
CHA Holdings, Inc.	04/10/2025	Environmental Industries	5.51 %	3M L+450	1,589	1,585	1,589
Challenger Performance Optimization, Inc. (Revolver) [7], [9]	08/31/2023	Business Services	—	—	711	—	(21)
Compex Legal Services, Inc.	02/09/2026	Professional Services	6.26 %	3M L+525	7,614	7,592	7,614
Compex Legal Services, Inc. (Revolver) [7]	02/07/2025	Professional Services	6.26 %	3M L+525	843	843	843
Compex Legal Services, Inc. (Revolver) [7], [9]	02/07/2025	Professional Services	—	—	562	—	—
Connatix Buyer, Inc.	07/13/2027	Media	6.25 %	3M L+550	3,980	3,907	4,000
Connatix Buyer, Inc. [7], [9]	01/13/2023	Media	—	—	2,105	—	32
Connatix Buyer, Inc. (Revolver) [7], [9]	07/13/2027	Media	—	—	1,234	—	—
Crane 1 Services, Inc. [7]	08/16/2023	Commercial Services & Supplies	6.75 %	3M L+575	604	600	598
Crane 1 Services, Inc. [7], [9]	08/16/2023	Commercial Services & Supplies	—	—	292	—	(1)
Crane 1 Services, Inc. (Revolver) [7], [9]	08/16/2027	Commercial Services & Supplies	—	—	336	—	(3)
Crash Champions, LLC	08/05/2025	Automobiles	6.01 %	3M L+525	19,921	19,688	19,423
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.76 %	3M L+575	6,511	6,495	6,511
Douglas Products and Packaging Company LLC (Revolver)	10/19/2022	Chemicals, Plastics and Rubber	8.25 %	P+475	1,917	1,917	1,917
Douglas Products and Packaging Company LLC (Revolver) [9]	10/19/2022	Chemicals, Plastics and Rubber	—	—	4,135	—	—
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.76 %	3M L+575	3,941	3,931	3,941
Dr. Squatch, LLC	08/31/2027	Personal Products	7.01 %	3M L+600	4,438	4,357	4,438
Dr. Squatch, LLC (Revolver) [7], [9]	08/31/2027	Personal Products	—	—	3,353	—	—
DRS Holdings III, Inc.	11/03/2025	Personal Products	6.75 %	3M L+575	17,582	17,444	17,494
DRS Holdings III, Inc. (Revolver) [7], [9]	11/03/2025	Personal Products	—	—	1,426	—	(7)
Duraco Specialty Tapes LLC	06/30/2024	Containers and Packaging	6.50 %	3M L+550	3,267	3,218	3,212
ECL Entertainment, LLC	03/31/2028	Hotels, Restaurants and Leisure	8.25 %	1M L+750	5,230	5,181	5,252
ECM Industries, LLC (Revolver)	12/23/2025	Electronic Equipment, Instruments, and Components	5.75 %	1M L+475	514	514	504
ECM Industries, LLC (Revolver) [9]	12/23/2025	Electronic Equipment, Instruments, and Components	—	—	400	—	(8)
eCommission Financial Services, Inc. [10]	10/05/2023	Banking, Finance, Insurance & Real Estate	6.00 %	1M L+500	6,456	6,456	6,456
eCommission Financial Services, Inc. (Revolver) [7], [9], [10]	10/05/2023	Banking, Finance, Insurance & Real Estate	—	—	5,000	—	—
Efficient Collaborative Retail Marketing Company, LLC	06/15/2022	Media: Diversified and Production	7.76 %	3M L+675	7,189	7,156	7,009
Exigo Intermediate II, LLC [9]	03/15/2024	Software	—	—	2,758	—	—
Exigo Intermediate II, LLC (Revolver)	03/15/2027	Software	6.75 %	3M L+575	138	138	138
Exigo Intermediate II, LLC (Revolver) [9]	03/15/2027	Software	—	—	552	—	—
Findex Group Limited [5][10][11]	05/31/2024	Diversified Financial Services	4.59 %	3M L+450	AUD 10,000	7,519	7,510
Gantech Acquisition Corp.	05/14/2026	IT Services	7.25 %	1M L+625	22,207	21,815	21,985
Gantech Acquisition Corp. (Revolver) [7]	05/14/2026	IT Services	7.25 %	1M L+625	622	622	616
Gantech Acquisition Corp. (Revolver) [7], [9]	05/14/2026	IT Services	—	—	3,111	—	(31)
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,465	3,422	3,430
Graffiti Buyer, Inc. [7], [9]	08/10/2023	Trading Companies & Distributors	—	—	1,071	—	(8)
Graffiti Buyer, Inc. (Revolver) [7]	08/10/2027	Trading Companies & Distributors	6.75 %	3M L+575	274	274	266
Graffiti Buyer, Inc. (Revolver) [7], [9]	08/10/2027	Trading Companies & Distributors	—	—	591	—	(16)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.26 %	3M L+525	4,554	4,483	4,554
Hancock Roofing and Construction L.L.C. [7], [9]	12/31/2022	Insurance	—	—	400	—	—
Hancock Roofing and Construction L.L.C. (Revolver) [7], [9]	12/31/2026	Insurance	—	—	750	—	—
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	7.01 %	3M L+600	4,988	4,891	4,888
Holdco Sands Intermediate, LLC (Revolver) [9]	11/23/2027	Aerospace and Defense	—	—	1,791	—	(36)
HW Holdco, LLC	12/10/2024	Media	6.75 %	1M L+575	8,501	8,451	8,331
HW Holdco, LLC [9]	12/10/2024	Media	—	—	1,686	—	(17)
HW Holdco, LLC (Revolver) [7], [9]	12/10/2024	Media	—	—	1,452	—	(29)

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
IDC Infusion Services, Inc.	12/30/2026	Healthcare Equipment and Supplies	7.00 %	3M L+600	2,999	2,966	2,939
IDC Infusion Services, Inc. (Revolver) [9]	12/30/2026	Healthcare Equipment and Supplies	—	—	4,167	—	(83)
IG Investments Holdings, LLC [7]	09/22/2028	Professional Services	7.01 %	3M L+600	4,496	4,410	4,428
IG Investments Holdings, LLC (Revolver) [7]	09/22/2027	Professional Services	8.50 %	3M L+500	95	95	94
IG Investments Holdings, LLC (Revolver) [7], [9]	09/22/2027	Professional Services	—	—	382	—	(6)
Imagine Acquisitionco, LLC	11/15/2027	Software	6.50 %	3M L+550	3,999	$ 3,923	$ 3,919
Imagine Acquisitionco, LLC [9]	11/15/2027	Software	—	—	1,657	—	(17)
Imagine Acquisitionco, LLC (Revolver) [9]	11/15/2027	Software	—	—	1,193	—	(24)
Inception Fertility Ventures, LLC	12/07/2023	Healthcare Providers and Services	6.50 %	3M L+550	3,474	3,387	3,387
Inception Fertility Ventures, LLC [9]	12/07/2023	Healthcare Providers and Services	—	—	9,185	—	(115)
Infolinks Media Buyco, LLC	11/01/2026	Media	7.01 %	3M L+600	2,638	2,589	2,638
Infolinks Media Buyco, LLC [9]	11/01/2023	Media	—	—	969	—	10
Innova Medical Ophthalmics Inc. [5], [10]	04/13/2023	Capital Equipment	7.25 %	3M L+625	3,236	3,221	3,236
Innova Medical Ophthalmics Inc. (Revolver) [5], [7], [10]	04/13/2023	Capital Equipment	7.25 %	3M L+625	534	534	534
Integrative Nutrition, LLC	09/29/2023	Consumer Services	5.50 %	3M L+450	16,062	16,007	16,062
Integrative Nutrition, LLC (Revolver) [7], [9]	09/29/2023	Consumer Services	—	—	5,000	—	—
Integrity Marketing Acquisition, LLC [7]	08/27/2025	Insurance	6.25 %	3M L+550	18,060	17,901	17,886
Integrity Marketing Acquisition, LLC [7], [9]	07/09/2023	Insurance	—	—	3,842	—	(8)
ITI Holdings, Inc. (Revolver) [9]	03/03/2028	IT Services	—	—	664	—	—
K2 Pure Solutions NoCal, L.P. (Revolver) [7]	12/20/2023	Chemicals, Plastics and Rubber	9.00 %	1M L+800	643	643	636
K2 Pure Solutions NoCal, L.P. (Revolver) [7], [9]	12/20/2023	Chemicals, Plastics and Rubber	—	—	786	—	(8)
Kinetic Purchaser, LLC	11/10/2027	Personal Products	7.00 %	3M L+600	20,973	20,574	20,763
Kinetic Purchaser, LLC - (Revolver) [9]	11/10/2026	Personal Products	—	—	3,435	—	(34)
Lash OpCo, LLC	02/18/2027	Personal Products	8.01 %	1M L+700	17,076	16,730	17,076
Lash OpCo, LLC (Revolver) [7], [9]	08/16/2026	Personal Products	—	—	1,920	—	—
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.51 % (PIK 5.00%)	1M L+750	9,538	9,510	9,319
LAV Gear Holdings, Inc. (Revolver) [7]	10/31/2024	Capital Equipment	8.51 % (PIK 5.00%)	1M L+750	1,708	1,708	1,669
Ledge Lounger, Inc.	11/09/2026	Leisure Products	7.25 %	3M L+625	3,766	3,691	3,728
Ledge Lounger, Inc. (Revolver)	11/09/2026	Leisure Products	7.25 %	3M L+625	526	526	521
Ledge Lounger, Inc. (Revolver) [9]	11/09/2026	Leisure Products	—	—	263	—	(3)
Lightspeed Buyer Inc.	02/03/2026	Healthcare Technology	6.50 %	1M L+550	24,478	24,149	24,233
Lightspeed Buyer Inc. (Revolver) [7]	02/03/2026	Healthcare Technology	6.50 %	1M L+550	666	666	660
Lightspeed Buyer Inc. (Revolver) [7] [9]	02/03/2026	Healthcare Technology	—	—	1,833	—	(18)
Lombart Brothers, Inc.	04/13/2023	Capital Equipment	7.25 %	3M L+625	14,209	14,157	14,209
Lombart Brothers, Inc. (Revolver) [7]	04/13/2023	Capital Equipment	7.25 %	3M L+625	516	516	516
Lucky Bucks, LLC	07/20/2027	Hotels, Restaurants and Leisure	6.25 %	3M L+550	4,444	4,362	4,344
MAG DS Corp.	04/01/2027	Aerospace and Defense	6.50 %	1M L+550	3,734	3,583	3,360
Mars Acquisition Holdings Corp.	05/14/2026	Media	6.50 %	3M L+550	6,082	5,978	6,037
Mars Acquisition Holdings Corp. (Revolver)[7][9]	05/14/2026	Media	—	—	1,624	—	(12)
MBS Holdings, Inc. (Revolver)[7][9]	04/16/2027	Internet Software and Services	—	—	1,157	—	(12)
Meadowlark Acquirer, LLC - Term Loan I [9]	12/10/2027	Professional Services	—	—	3,103	—	(31)
Meadowlark Acquirer, LLC - Term Loan II [9]	12/10/2027	Professional Services	—	—	9,483	—	(95)
Meadowlark Acquirer, LLC (Revolver) [9]	12/10/2027	Professional Services	—	—	1,693	—	(34)
MeritDirect, LLC	05/23/2024	Media	6.50 %	3M L+550	14,958	14,850	14,958
MeritDirect, LLC (Revolver) [7], [9]	05/23/2024	Media	—	—	2,869	—	—
Mission Critical Electronics, Inc.	09/28/2022	Capital Equipment	6.01 %	1M L+500	603	602	603
Mission Critical Electronics, Inc. (Revolver) [7]	09/28/2022	Capital Equipment	6.62 %	1M L+500	645	645	645
Mission Critical Electronics, Inc. (Revolver) [7], [9]	09/28/2022	Capital Equipment	—	—	680	—	—
Municipal Emergency Services, Inc. [7]	09/28/2027	Distributors	6.01 %	3M L+500	275	273	266
Municipal Emergency Services, Inc. [7], [9]	09/28/2027	Distributors	—	—	671	—	(15)
Municipal Emergency Services, Inc. (Revolver) [7]	09/28/2027	Distributors	6.00 %	3M L+500	142	142	137
Municipal Emergency Services, Inc. (Revolver) [7], [9]	09/28/2027	Distributors	—	—	805	—	(27)
NBH Group LLC (Revolver) [7], [9]	08/19/2026	Healthcare Equipment and Supplies	—	—	1,677	—	(8)
OIS Management Services, LLC	07/09/2026	Healthcare Equipment and Supplies	5.75 %	3M L+450	5,085	5,037	5,034
OIS Management Services, LLC (Revolver) [7]	07/09/2026	Healthcare Equipment and Supplies	5.75 %	3M L+450	444	444	440
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	7.25 %	3M L+625	8,907	8,746	8,818
ORL Acquisition, Inc. [7]	09/03/2027	Consumer Finance	6.26 %	3M L+525	7,232	7,095	7,232
ORL Acquisition, Inc. (Revolver) [7], [9]	09/03/2027	Consumer Finance	—	—	861	—	—
Output Services Group, Inc.	03/27/2024	Business Services	5.50 %	1M L+450	4,875	4,504	4,290
Owl Acquisition, LLC	02/04/2028	Professional Services	6.75 %	3M L+575	4,000	3,922	3,900
Ox Two, LLC	05/18/2026	Construction and Building	8.00 %	1M L+700	22,523	22,219	22,072
Ox Two, LLC (Revolver) [7]	05/18/2026	Construction and Building	8.00 %	1M L+700	2,935	2,935	2,877
Ox Two, LLC (Revolver) [7], [9]	05/18/2026	Construction and Building	—	—	452	—	(9)
PL Acquisitionco, LLC	11/09/2027	Textiles, Apparel and Luxury Goods	7.51 %	3M L+650	6,141	6,040	6,034
PL Acquisitionco, LLC (Revolver)	11/09/2027	Textiles, Apparel and Luxury Goods	8.00 %	3M L+650	916	916	900
PL Acquisitionco, LLC - (Revolver) [9]	11/09/2027	Textiles, Apparel and Luxury Goods	—	—	1,374	—	(24)
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.76 %	3M L+575	641	639	641
PlayPower, Inc.	05/08/2026	Leisure Products	6.50 %	1M L+575	3,459	3,436	3,262
PRA Events, Inc.	08/07/2025	Business Services	11.50 % (PIK 11.50%)	1M L+1,050	3,317	2,885	3,317
Quantic Electronics, LLC	11/19/2026	Electronic Equipment, Instruments, and Components	7.01 %	1M L+600	4,730	4,647	4,636
Quantic Electronics, LLC [7], [9]	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	2,810	—	(28)
Quantic Electronics, LLC (Revolver) [7], [9]	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	670	—	(13)
Questex, LLC	09/09/2024	Media: Diversified and Production	6.00 %	3M L+500	7,238	7,172	6,876
Questex, LLC (Revolver)	09/09/2024	Media: Diversified and Production	6.00 %	3M L+500	479	479	455
Questex, LLC (Revolver) [7], [9]	09/09/2024	Media: Diversified and Production	—	—	718	—	(36)

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Rancho Health MSO, Inc. [7]	12/18/2025	Healthcare Equipment and Supplies	6.75 %	3M L+575	1,045	$ 1,045	$ 1,045
Rancho Health MSO, Inc. (Revolver) [7], [9]	12/18/2025	Healthcare Equipment and Supplies	—	—	525	—	—
Recteq, LLC	01/29/2026	Leisure Products	7.00 %	3M L+600	1,485	1,461	1,463
Recteq, LLC (Revolver) [7], [9]	01/29/2026	Leisure Products	—	—	1,296	—	(19)
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	6.50 %	3M L+550	17,232	17,041	16,891
Riverpoint Medical, LLC	06/20/2025	Healthcare Equipment and Supplies	6.75 %	3M L+575	8,074	8,007	8,049
Riverpoint Medical, LLC (Revolver) [7], [9]	06/20/2025	Healthcare Equipment and Supplies	—	—	909	—	(3)
Riverside Assessments, LLC	03/10/2025	Professional Services	6.51 %	3M L+550	15,435	15,250	15,435
Sales Benchmark Index LLC	01/03/2025	Professional Services	7.75 %	3M L+600	7,527	7,436	7,527
Sales Benchmark Index LLC (Revolver) [7], [9]	01/03/2025	Professional Services	—	—	1,293	—	—
Sargent & Greenleaf Inc.	12/20/2024	Electronic Equipment, Instruments, and Components	7.00 %	1M L+550	3,626	3,594	3,626
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronic Equipment, Instruments, and Components	7.00 %	1M L+550	1,056	1,056	1,056
Schlesinger Global, Inc.	07/14/2025	Professional Services	8.01 %	1M L+700	13,405	13,315	13,271
Schlesinger Global, Inc. (Revolver)	07/14/2025	Professional Services	7.01 %	1M L+600	1,478	1,478	1,464
Schlesinger Global, Inc. (Revolver) [7], [9]	07/14/2025	Professional Services	—	—	392	—	(4)
Sigma Defense Systems, LLC	12/18/2025	IT Services	9.50 %	3M L+850	11,110	10,850	10,944
Sigma Defense Systems, LLC (Revolver) [7], [9]	12/18/2025	IT Services	—	—	2,621	—	(39)
Signature Systems Holding Company	05/03/2024	Commercial Services & Supplies	7.50 %	1M L+650	11,375	11,294	11,375
Signature Systems Holding Company (Revolver)	05/03/2024	Commercial Services & Supplies	7.50 %	1M L+650	419	419	419
Signature Systems Holding Company (Revolver) [9]	05/03/2024	Commercial Services & Supplies	—	—	1,328	—	—
Smile Brands Inc.	10/14/2024	Healthcare and Pharmaceuticals	5.25 %	1M L+450	1,944	1,944	1,891
Smile Brands Inc. (Revolver) [7]	10/14/2024	Healthcare and Pharmaceuticals	7.00 %	1M L+350	59	59	57
Smile Brands Inc. (Revolver) [7], [9]	10/14/2024	Healthcare and Pharmaceuticals	—	—	1,450	—	(40)
Smile Brands Inc. LC (Revolver) [7], [9]	10/14/2024	Healthcare and Pharmaceuticals	—	—	108	—	(3)
Snak Club, LLC (Revolver) [7]	07/19/2021	Beverage, Food and Tobacco	7.00 %	3M L+600	33	33	33
Snak Club, LLC (Revolver) [7], [9]	07/19/2021	Beverage, Food and Tobacco	—	—	450	—	—
Solutionreach, Inc.	01/17/2024	Healthcare Technology	6.75 %	3M L+575	5,956	5,907	5,694
Solutionreach, Inc. (Revolver) [7], [9]	01/17/2024	Healthcare Technology	—	—	1,665	—	(73)
Spear Education, LLC	02/26/2025	Professional Services	6.25 %	3M L+525	14,823	14,696	14,823
Spendmend Holdings LLC	03/01/2028	Healthcare Technology	6.75 %	3M L+575	2,029	1,999	1,997
Spendmend Holdings LLC [9]	03/01/2023	Healthcare Technology			2,971	—	(25)
Spendmend Holdings LLC (Revolver)	03/01/2028	Healthcare Technology	6.75 %	3M L+575	119	119	117
Spendmend Holdings LLC (Revolver) [9]	03/01/2028	Healthcare Technology			772	—	(12)
STV Group Incorporated	12/11/2026	Construction & Engineering	5.71 %	1M L+525	4,752	4,715	4,609
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	7.01 %	3M L+600	18,653	18,301	18,038
System Planning and Analysis, Inc. (Revolver) (f/k/a Management Consulting & Research, LLC)	08/16/2027	Aerospace and Defense	—	—	5,188	—	(171)
TAC LifePort Purchaser, LLC	03/01/2026	Aerospace and Defense	7.00 %	3M L+600	497	489	497
TAC LifePort Purchaser, LLC (Revolver) [7], [9]	03/01/2026	Aerospace and Defense	—	—	1,302	—	—
TeleGuam Holdings, LLC	11/20/2025	Wireless Telecommunication Services	5.50 %	1M L+450	3,109	3,087	3,078
Teneo Holdings LLC	07/18/2025	Diversified Financial Services	6.25 %	1M L+525	5,823	5,736	5,754
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	7.01 %	3M L+600	4,946	4,885	4,897
The Bluebird Group LLC	07/27/2026	Professional Services	7.50 %	3M L+650	6,329	6,213	6,456
The Bluebird Group LLC (Revolver) [7], [9]	07/27/2026	Professional Services	—	—	862	—	17
The Infosoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	6.75 %	3M L+575	15,524	15,427	15,524
The Vertex Companies, LLC [7], [9]	08/30/2027	Construction & Engineering	—	—	2,734	—	(8)
The Vertex Companies, LLC (Revolver) [7], [9]	08/30/2027	Construction & Engineering	—	—	911	—	(12)
TPC Canada Parent, Inc. and TPC US Parent, LLC [5], [10]	11/24/2025	Food Products	6.50 %	3M L+550	4,888	4,855	4,741
TVC Enterprises, LLC	03/26/2026	Commercial Services & Supplies	7.00 %	1M L+600	24,845	24,511	24,348
TVC Enterprises, LLC (Revolver) [7], [9]	03/26/2026	Commercial Services & Supplies	—	—	661	—	(13)
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	7.25 %	1M L+625	6,291	6,197	6,291
TWS Acquisition Corporation (Revolver) [7], [9]	06/16/2025	Diversified Consumer Services	—	—	2,628	—	—
Tyto Athene, LLC	04/01/2028	IT Services	6.25 %	1M L+550	12,708	12,538	12,390
Tyto Athene, LLC (Revolver) [7], [9]	04/01/2026	IT Services	—	—	1,040	—	(26)
UBEO, LLC	04/03/2024	Capital Equipment	5.51 %	3M L+450	18,019	17,928	17,658
UBEO, LLC (Revolver) [9]	04/03/2024	Capital Equipment	—	—	2,933	—	(73)
Vision Purchaser Corporation	06/10/2025	Media	7.25 %	3M L+625	14,212	14,034	14,212
Walker Edison Furniture Company LLC	03/31/2027	Wholesale	9.76 %	1M L+875	12,555	12,287	12,367
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	6.76 %	3M L+575	9,405	9,286	9,405
Wildcat Buyerco, Inc. Term Loan C [9]	05/11/2023	Electronic Equipment, Instruments, and Components	—	—	1,530	—	17
Wildcat Buyerco, Inc. (Revolver) [7], [9]	02/27/2026	Electronic Equipment, Instruments, and Components	—	—	534	—	—
Zips Car Wash, LLC	03/01/2024	Automobiles	8.25 %	3M L+725	19,843	19,604	19,644
Zips Car Wash, LLC [9]	03/01/2024	Automobiles	—	—	1,140	—	—
Total First Lien Secured Debt						841,412	831,765
Second Lien Secured Debt—0.2%							
Mailsouth Inc. [7]	04/23/2025	Media: Advertising, Printing and Publishing	15.00 % (PIK 15.00%)	—	932	932	885
QuantiTech LLC	02/04/2027	Aerospace and Defense	11.00 %	3M L+1,000	150	147	150
Total Second Lien Secured Debt						1,079	1,035

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Preferred Equity— 1.6% [6]							
Ad.net Holdings, Inc. [7],[8]	—	Media	—	—	6,720	$ 672	$ 672
Imagine Topco, LP	—	Software	8.00 %	—	1,236,027	1,236	1,236
Mars Intermediate Holdings II, Inc. [7]	—	Media	—	—	835	835	923
MeritDirect Holdings, LP [7], [8]	—	Media	—	—	2,018	2,018	2,415
NXOF Holdings, Inc. (Tyto Athene, LLC) [7]	—	IT Services	—	—	733	733	982
ORL Holdco, Inc. [7]	—	Consumer Finance	—	—	1,327	133	139
Signature CR Intermediate Holdco, Inc. [7]	—	Commercial Services & Supplies	12.00 %	—	1,323	1,323	1,674
TPC Holding Company, LP [5], [7], [10]	—	Food Products	—	—	409	409	417
TWD Parent Holdings, LLC (The Vertex Companies, LLC) [7]	—	Construction & Engineering	—	—	37	37	41
UniTek Global Services, Inc. - Super Senior Preferred Equity [7]	—	Telecommunications	20.00 %	—	343,861	344	—
UniTek Global Services, Inc. - Senior Preferred Equity [7]	—	Telecommunications	19.00 %	—	448,851	449	—
UniTek Global Services, Inc. [7]	—	Telecommunications	13.50 %	—	1,047,317	670	—
Total Preferred Equity						8,859	8,499
Common Equity/Warrants— 17.6% [6]							
Ad.net Holdings, Inc. [7],[8]	—	Media	—	—	7,467	75	219
Affinion Group Holdings, Inc. (Warrants)[7]	04/10/2024	Consumer Goods: Durable	—	—	8,893	245	—
AG Investco LP [7], [8]	—	Software	—	—	805,164	805	1,203
AG Investco LP [7], [8], [9]	—	Software	—	—	194,836	—	—
Altamira Intermediate Company II, Inc. [7]	—	IT Services	—	—	1,437,500	1,438	576
Athletico Holdings, LLC	—	Healthcare Providers and Services	—	—	4,678	5,000	5,012
By Light Investco LP [7], [8]	—	High Tech Industries	—	—	21,908	—	15,540
By Light Investco LP [7], [8], [9]	—	High Tech Industries	—	—	7,401	—	—
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) [7], [8]	—	Business Services	—	—	120,962	1,243	863
Connatix Parent, LLC [7]	—	Media	—	—	38,278	421	558
Crane 1 Acquisition Parent Holdings, L.P. [7]	—	Commercial Services & Supplies	—	—	130	120	136
Crash Champions Holdings, LLC [7],[8]	—	Automobiles	—	—	75	678	1,529
Delta InvestCo LP (Sigma Defense Systems, LLC) [7], [8]	—	IT Services	—	—	615,484	615	1,101
Delta InvestCo LP (Sigma Defense Systems, LLC) [7], [8],[9]	—	IT Services	—	—	389,386	—	—
ECM Investors, LLC [7], [8]	—	Electronic Equipment, Instruments, and Components	—	—	295,982	72	767
eCommission Holding Corporation [7], [10]	—	Banking, Finance, Insurance & Real Estate	—	—	20	251	317
Exigo, LLC	—	Software	—	—	541,667	542	542
FedHC InvestCo LP [7],[8]	—	Aerospace and Defense	—	—	21,083	759	1,707
FedHC InvestCo LP [7],[8],[9]	—	Aerospace and Defense	—	—	9,488	—	—
Gauge InfosoftCoInvest, LLC (The Infosoft Group, LLC) [7]	—	Media: Broadcasting and Subscription	—	—	500	144	2,277
Gauge Lash Coinvest LLC [7]	—	Personal Products	—	—	1,485,953	227	7,544
Gauge Schlesinger Coinvest LLC [7]	—	Professional Services	—	—	437	437	704
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC) [7]	—	Professional Services	—	—	391,144	—	1,308
GCOM InvestCo LP [7],[8]	—	IT Services	—	—	19,184	3,342	4,638
Go Dawgs Capital III, LP (American Insulated Glass, LLC) [7], [8]	—	Building Products	—	—	324,675	325	377
Hancock Claims Consultants Investors, LLC [7], [8]	—	Insurance	—	—	450,000	450	608
Icon Partners V C, L.P.	—	Internet Software and Services	—	—	1,851,852	1,852	1,852
Icon Partners V C, L.P. [7][8]	—	Internet Software and Services	—	—	648,148	—	—
IIN Group Holdings, LLC (Integrative Nutrition, LLC) [7], [8]	—	Consumer Services	—	—	1,000	1,000	1,268
Imagine Topco, LP (Common)	—	Software	—	—	1,236,027	—	—
Ironclad Holdco, LLC (Applied Technical Services, LLC) [7], [8]	—	Commercial Services & Supplies	—	—	5,811	573	751
ITC Infusion Co-invest, LP	—	Healthcare Equipment and Supplied	—	—	59,211	592	592
ITC Rumba, LLC (Cano Health, LLC) [7],[8]	—	Healthcare and Pharmaceuticals	—	—	46,763	117	3,854
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) [7], [8]	—	Wholesale	—	—	1,948	568	1,948
Kinetic Purchaser, LLC	—	Personal Products	—	—	1,734,775	1,735	2,200
KL Stockton Co-Invest LP (Any Hour Services) [7],[8]	—	Energy Equipment and Services	—	—	382,353	382	485
Kentucky Racing Holdco, LLC (Warrants) [7], [8]	—	Hotels, Restaurants and Leisure	—	—	87,345	—	712
Lightspeed Investment Holdco LLC [7]	—	Healthcare Technology	—	—	585,587	586	1,004
Mars Intermediate Holdings II, Inc. [7]	—	Media	—	—	835	—	248
MeritDirect Holdings, LP [7], [8]	—	Media	—	—	2,018	—	316
Meadowlark Title, LLC	—	Professional Services	—	—	819,231	819	819
MSpark, LLC	—	Media: Advertising, Printing and Publishing	—	—	3,988	1,288	—
Municipal Emergency Services, Inc. [7]	—	Distributors	—	—	1,973,370	2,005	1,894
NEPRT Parent Holdings, LLC (Recteq, LLC) [7], [8]	—	Leisure Products	—	—	1,494	1,450	1,278
North Haven Saints Equity Holdings, LP	—	Healthcare Technology	—	—	223,602	224	230
NXOF Holdings, Inc. (Tyto Athene, LLC) [7]	—	IT Services	—	—	14,960	15	1,265
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) [7], [8]	—	Aerospace and Defense	—	—	173,638	1,729	3,017
OHCP V BC COI, L.P.	—	Distributors	—	—	743,750	744	744
OHCP V BC COI, L.P. [8] [9]	—	Distributors	—	—	506,250	—	—
Oral Surgery (ITC) Holdings, LLC [7],[8]	—	Healthcare Equipment and Supplies	—	—	3,872	83	96
ORL Holdco, Inc. [7]	—	Consumer Finance	—	—	1,474	15	213
PennantPark-TSO Senior Loan Fund, LP [7]	—	Financial Services	—	—	11,167,847	11,168	11,350
Pink Lily Holdco, LLC (PL Acquisitions, LLC)	—	Textiles, Apparel and Luxury Goods	—	—	1,735	1,735	1,425
QuantiTech InvestCo LP [7], [8]	—	Aerospace and Defense	—	—	700	66	340
QuantiTech InvestCo LP [7], [8], [9]	—	Aerospace and Defense	—	—	967	—	—
QuantiTech InvestCo II LP [7], [8],	—	Aerospace and Defense	—	—	40	24	41
RFMG Parent, LP (Rancho Health MSO, Inc.) [7]	—	Healthcare Equipment and Supplies	—	—	1,050,000	1,050	1,173

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
SBI Holdings Investments LLC (Sales Benchmark Index LLC) [7], [8]	—	Professional Services	—	—	64,634	$ 646	$ 677
Signature CR Intermediate Holdco, Inc. [7]	—	Commercial Services & Supplies	—	—	70	70	—
SP L2 Holdings, LLC (Ledge Lounger, Inc.)	—	Leisure Products	—	—	360,103	360	360
SSC Dominion Holdings, LLC Class A (US Dominion, Inc.) [7]	—	Capital Equipment	—	—	500	500	630
SSC Dominion Holdings, LLC Class B (US Dominion, Inc.) [7]	—	Capital Equipment	—	—	500	—	1,373
StellPen Holdings, LLC (CF512, Inc.) [7]	—	Media	—	—	161,538	162	187
TAC LifePort Holdings, LLC [7],[8]	—	Aerospace and Defense	—	—	488,372	488	576
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC)	—	Media	—	—	215,859	216	266
Tower Arch Infolinks Media, LP (Infolinks Media Buyco, LLC)[8] [9]	—	Media	—	—	149,747	—	—
TPC Holding Company, LP [5], [7], [10]	—	Food Products	—	—	21,527	22	—
TWD Parent Holdings, LLC (The Vertex Companies, LLC) [7]	—	Construction & Engineering	—	—	749	1	1
UniTek Global Services, Inc. [7]	—	Telecommunications	—	—	213,739	—	—
UniTek Global Services, Inc. (Warrants) [7]	—	Telecommunications	—	—	23,889	—	—
UniVista Insurance [7],[8]	—	Insurance	—	—	400	393	484
Wildcat Parent, LP (Wildcat Buyerco, Inc.) [7], [8]	—	Electronic Equipment, Instruments, and Components	—	—	2,240	224	545
Total Common Equity/Warrants						50,087	91,742
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						901,437	933,041
Investments in Controlled, Affiliated Portfolio Companies—49.9% [3], [4]							
First Lien Secured Debt—38.5%							
Marketplace Events, LLC - Super Priority First Lien Term Loan [7]	09/30/2025	Media: Diversified and Production	6.25 % (PIK 6.25%)	3M L+525	3,528	3,528	3,528
Marketplace Events, LLC - Super Priority First Lien [7], [9]	09/30/2025	Media: Diversified and Production	—	—	3,261	—	—
Marketplace Events, LLC	09/30/2026	Media: Diversified and Production	0.00 % [6]	—	26,364	19,047	26,364
PennantPark Senior Secured Loan Fund I LLC [7], [9], [10]	05/06/2024	Financial Services	8.25 %	3M L+800	170,275	170,275	170,275
Total First Lien Secured Debt						192,849	200,167
Equity Interests—11.4%							
New MPE Holdings, LLC (Marketplace Events, LLC) [7],[8]	—	Media: Diversified and Production	—	—	349	—	4,000
PennantPark Senior Secured Loan Fund I LLC [7], [9], [10]	—	Financial Services	—	—	72,975	72,975	55,405
Total Equity Interests						72,975	59,405
Total Investments in Controlled, Affiliated Portfolio Companies						265,824	259,571
Total Investments—229.4%						1,167,262	1,192,613
Cash and Cash Equivalents—9.6%							
BlackRock Federal FD Institutional 30						27,211	27,211
BNY Mellon Cash						22,841	22,853
Total Cash and Cash Equivalents						50,053	50,064
Total Investments and Cash Equivalents—239.0%						$ 1,217,314	$ 1,242,676
Liabilities in Excess of Other Assets—(139.0)%							(722,690)
Net Assets—100.0%							$ 519,986

(1) 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", 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 payment-in-kind, or PIK, interest and other fee rates, if any.

(2) Valued based on our accounting policy (See Note 2). The value of all securities was determined using significant unobservable inputs (See Note 5).

(3) 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.

(4) 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.

(5) Non-U.S. company or principal place of business outside the United States.

(6) Non-income producing securities.

(7) The securities, or a portion thereof, are not 1) pledged as collateral under the Credit Facility and held through Funding I; or, 2) securing the 2031 Asset-Backed Debt (See Note 10) and held through PennantPark CLO I, Ltd.

(8) Investment is held through our Taxable Subsidiary (See Note 1).

(9) 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.

(10) 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 March 31, 2022, qualifying assets represent 80% of our total assets and non-qualifying assets represent 20% of our total assets.

(11) Par amount is denominated in Australian Dollars (AUD) as denoted.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2021
(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Investments in Non-Controlled, Non-Affiliated Portfolio Companies—174.6% [3], [4]							
First Lien Secured Debt—155.8%							
18 Freemont Street Acquisition, LLC	08/11/2025	Hotels, Restaurants and Leisure	9.50 %	1M L+800	5,996	$ 5,910	$ 6,101
Ad.net Acquisition, LLC	05/06/2026	Media	7.00 %	3M L+600	4,988	4,917	4,913
Ad.net Acquisition, LLC (Revolver) [7]	05/06/2026	Media	7.00 %	3M L+600	212	212	208
Ad.net Acquisition, LLC (Revolver) [7], [9]	05/06/2026	Media	—	—	1,033	—	(15)
Altamira Technologies, LLC	07/24/2025	IT Services	8.00 %	3M L+700	5,069	5,016	4,752
Altamira Technologies, LLC (Revolver) [7]	07/24/2025	IT Services	8.00 %	3M L+700	575	575	539
Altamira Technologies, LLC (Revolver) [7], [9]	07/24/2025	IT Services	—	—	1,581	—	(99)
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	8,905	8,818	8,816
American Teleconferencing Services, Ltd.[7]	09/09/2021	Telecommunications	0.00% [6]	—	7,986	7,915	1,278
American Teleconferencing Services, Ltd. (Revolver) [7]	12/08/2022	Telecommunications	0.00% [6]	—	1,656	1,642	1,656
Any Hour Services	07/21/2027	Energy Equipment and Services	6.75 %	3M L+575	6,500	6,373	6,370
Any Hour Services [7], [9]	07/21/2027	Energy Equipment and Services	—	—	3,824	—	(38)
Any Hour Services (Revolver) [7], [9]	07/21/2027	Energy Equipment and Services	—	—	1,147	—	(23)
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	6.25 %	1M L+525	6,272	6,216	6,209
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	6.50 %	1M L+550	300	300	297
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	6.25 %	1M L+525	6,897	6,802	6,828
Apex Service Partners, LLC Term Loan C [7],[9]	01/31/2022	Diversified Consumer Services	—	—	13,179	—	(16)
Apex Service Partners, LLC (Revolver) [7]	07/29/2024	Diversified Consumer Services	6.25 %	1M L+525	473	473	465
Apex Service Partners, LLC (Revolver) [7], [9]	07/29/2024	Diversified Consumer Services	—	—	1,372	—	(24)
API Technologies Corp.	05/11/2026	Electronic Equipment, Instruments, and Components	4.33 %	1M L+425	5,865	5,841	5,689
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.75 %	3M L+575	4,963	4,863	4,863
Applied Technical Services, LLC [7], [9]	06/29/2022	Commercial Services & Supplies	—	—	8,567	—	(75)
Applied Technical Services, LLC (Revolver) [7], [9]	12/29/2026	Commercial Services & Supplies	—	—	1,273	—	(25)
By Light Professional IT Services, LLC	05/16/2022	High Tech Industries	7.25 %	3M L+625	22,681	22,627	22,681
By Light Professional IT Services, LLC (Revolver) [9]	05/16/2022	High Tech Industries	—	—	3,063	—	—
Cadence Aerospace, LLC [7]	11/14/2023	Aerospace and Defense	9.50 %	3M L+850	3,002	2,985	2,928
			(PIK 9.50%)				
Cano Health, LLC	11/23/2027	Healthcare and Pharmaceuticals	5.25 %	1M L+450	2,653	2,647	2,654
CF512, Inc.	08/20/2026	Media	7.00 %	3M L+600	10,500	10,293	10,290
CF512, Inc. [7], [9]	08/20/2026	Media	—	—	2,864	—	(29)
CF512, Inc. (Revolver) [7], [9]	08/20/2026	Media	—	—	955	—	(19)
CHA Holdings, Inc.	04/10/2025	Environmental Industries	5.50 %	3M L+450	1,597	1,593	1,573
Challenger Performance Optimization, Inc. (Revolver) [7], [9]	08/31/2023	Business Services	—	—	711	—	(21)
Compex Legal Services, Inc.	02/09/2026	Professional Services	6.75 %	3M L+575	7,653	7,530	7,566
Compex Legal Services, Inc. (Revolver) [7]	02/07/2025	Professional Services	6.75 %	3M L+575	984	984	973
Compex Legal Services, Inc. (Revolver) [7], [9]	02/07/2025	Professional Services	—	—	422	—	(5)
Confluent Health, LLC	06/24/2026	Health Providers and Services	5.08 %	1M L+500	3,910	3,879	3,910
Connatix Buyer, Inc.	07/13/2027	Media	6.25 %	3M L+550	4,000	3,921	3,920
Connatix Buyer, Inc. [7], [9]	01/13/2023	Media	—	—	2,105	—	(21)
Connatix Buyer, Inc. (Revolver) [7]	07/13/2027	Media	6.25 %	3M L+550	123	123	121
Connatix Buyer, Inc. (Revolver) [7], [9]	07/13/2027	Media	—	—	1,111	—	(22)
CoolSys, Inc.	08/04/2028	Commercial Services & Supplies	5.50 %	3M L+475	1,909	1,890	1,914
CoolSys, Inc. [7], [9]	08/04/2028	Commercial Services & Supplies	—	—	848	—	2
Crane 1 Services, Inc. [7], [9]	08/16/2023	Commercial Services & Supplies	—	—	897	—	(2)
Crane 1 Services, Inc. (Revolver) [7], [9]	08/16/2027	Commercial Services & Supplies	—	—	336	—	(3)
Crash Champions, LLC	08/05/2025	Automobiles	5.85 %	3M L+500	13,078	12,889	12,817
Crash Champions, LLC [7][9]	05/14/2022	Automobiles	—	—	12,912	—	(129)
Digital Room Holdings, Inc.	05/22/2026	Media: Advertising, Printing and Publishing	5.08 %	1M L+500	6,547	6,468	6,462
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	6,545	6,514	6,545
Douglas Products and Packaging Company LLC (Revolver)	10/19/2022	Chemicals, Plastics and Rubber	8.00 %	P+475	2,927	2,927	2,927
Douglas Products and Packaging Company LLC (Revolver) [9]	10/19/2022	Chemicals, Plastics and Rubber	—	—	1,464	—	—
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	3,961	3,942	3,961
Dr. Squatch, LLC	08/27/2026	Personal Products	7.00 %	3M L+600	9,485	9,297	9,296
Dr. Squatch, LLC (Revolver) [7]	08/27/2026	Personal Products	7.00 %	3M L+600	2,459	2,459	2,410
Dr. Squatch, LLC (Revolver) [7], [9]	08/27/2026	Personal Products	—	—	894	—	(18)
DRS Holdings III, Inc.	11/03/2025	Personal Products	7.25 %	3M L+625	17,671	17,515	17,547
DRS Holdings III, Inc. (Revolver) [7], [9]	11/03/2025	Personal Products	—	—	1,426	—	(10)
East Valley Tourist Development Authority	03/07/2022	Hotel, Gaming and Leisure	9.00 %	3M L+800	13,217	13,191	13,019
			(PIK 3.50%)				
ECL Entertainment, LLC	03/31/2028	Hotels, Restaurants and Leisure	8.25 %	1M L+750	5,256	5,205	5,374
ECM Industries, LLC (Revolver) [9]	12/23/2025	Electronic Equipment, Instruments, and Components	—	—	914	—	(5)
eCommission Financial Services, Inc. [10]	10/05/2023	Banking, Finance, Insurance & Real Estate	6.00 %	1M L+500	6,951	6,951	6,951
eCommission Financial Services, Inc. (Revolver) [7], [9], [10]	10/05/2023	Banking, Finance, Insurance & Real Estate	—	—	5,000	—	—
Efficient Collaborative Retail Marketing Company, LLC	06/15/2022	Media: Diversified and Production	7.75 %	3M L+675	7,189	7,180	7,153
Findex Group Limited [5][10][11]	05/31/2024	Diversified Financial Services	5.07 %	3M L+500	AUD 10,000	7,323	7,151
Gantech Acquisition Corp.	05/14/2026	IT Services	7.25 %	1M L+625	17,413	17,082	17,064
Gantech Acquisition Corp. (Revolver) [7]	05/14/2026	IT Services	7.25 %	1M L+625	933	933	915
Gantech Acquisition Corp. (Revolver) [7], [9]	05/14/2026	IT Services	—	—	2,800	—	(56)
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,483	3,435	3,465
Graffiti Buyer, Inc. [7], [9]	08/10/2023	Trading Companies & Distributors	—	—	1,071	—	(5)
Graffiti Buyer, Inc. (Revolver) [7], [9]	08/10/2027	Trading Companies & Distributors	—	—	865	—	(20)
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.00 %	3M L+500	3,474	3,397	3,439
Hancock Roofing and Construction L.L.C. [7], [9]	12/31/2022	Insurance	—	—	1,500	—	(15)
Hancock Roofing and Construction L.L.C. (Revolver) [7], [9]	12/31/2026	Insurance	—	—	750	—	(8)
Holdco Sands Intermediate, LLC	12/19/2025	Aerospace and Defense	7.50 %	3M L+600	2,983	2,941	2,968
HW Holdco, LLC	12/10/2024	Media	5.50 %	1M L+450	7,341	7,296	7,267
HW Holdco, LLC (Revolver) [7]	12/10/2024	Media	5.50 %	1M L+450	523	523	517
HW Holdco, LLC (Revolver) [7], [9]	12/10/2024	Media	—	—	929	—	(9)
IG Investments Holdings, LLC [7]	09/22/2028	Professional Services	6.75 %	3M L+600	4,518	4,428	4,428
IG Investments Holdings, LLC (Revolver) [7], [9]	09/22/2027	Professional Services	—	—	477	—	—

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(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
IMIA Holdings, Inc.	04/09/2027	Aerospace and Defense	6.75 %	3M L+600	13,144	$ 12,904	$ 12,881
IMIA Holdings, Inc. (Revolver) [7], [9]	04/09/2027	Aerospace and Defense	—	—	2,343	—	(47)
Innova Medical Ophthalmics Inc. [5], [10]	04/13/2023	Capital Equipment	7.25 %	3M L+625	3,253	3,234	3,253
Innova Medical Ophthalmics Inc. (Revolver) [5], [7], [10]	04/13/2023	Capital Equipment	7.25 %	3M L+625	534	534	534
Integrative Nutrition, LLC	09/29/2023	Consumer Services	5.50 %	3M L+450	16,167	16,095	16,167
Integrative Nutrition, LLC (Revolver) [7], [9]	09/29/2023	Consumer Services	—	—	5,000	—	—
Integrity Marketing Acquisition, LLC [7]	08/27/2025	Insurance	6.25 %	3M L+550	3,170	3,147	3,154
Integrity Marketing Acquisition, LLC [7], [9]	07/09/2023	Insurance	—	—	18,822	—	47
K2 Pure Solutions NoCal, L.P. (Revolver) [7]	12/20/2023	Chemicals, Plastics and Rubber	8.00 %	1M L+700	643	643	626
K2 Pure Solutions NoCal, L.P. (Revolver) [7], [9]	12/20/2023	Chemicals, Plastics and Rubber	—	—	786	—	(21)
Lash OpCo, LLC	02/18/2027	Personal Products	8.00 %	1M L+700	31,662	30,960	31,029
Lash OpCo, LLC (Revolver) [7]	08/16/2026	Personal Products	8.00 %	1M L+700	307	307	301
Lash OpCo, LLC (Revolver) [7], [9]	08/16/2026	Personal Products	—	—	1,613	—	(32)
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.50 % (PIK 5.00%)	1M L+750	9,487	9,453	8,892
LAV Gear Holdings, Inc. (Revolver) [7]	10/31/2024	Capital Equipment	8.50 % (PIK 5.00%)	1M L+750	1,691	1,691	1,585
Lightspeed Buyer Inc.	02/03/2026	Healthcare Technology	6.75 %	1M L+575	29,607	29,160	29,607
Lightspeed Buyer Inc. (Revolver) [7], [9]	02/03/2026	Healthcare Technology	—	—	2,499	—	—
Lombart Brothers, Inc.	04/13/2023	Capital Equipment	7.25 %	3M L+625	14,285	14,208	14,285
Lombart Brothers, Inc. (Revolver) [7]	04/13/2023	Capital Equipment	7.25 %	3M L+625	516	516	516
Lucky Bucks, LLC	07/20/2027	Hotels, Restaurants and Leisure	6.25 %	3M L+550	4,500	4,411	4,424
MAG DS Corp.	04/01/2027	Aerospace and Defense	6.50 %	1M L+550	3,891	3,721	3,502
Magenta Buyer, LLC	07/31/2028	Software	5.75 %	3M L+500	10,000	9,901	9,997
Mars Acquisition Holdings Corp.	05/14/2026	Media	6.50 %	3M L+550	6,113	5,998	6,052
Mars Acquisition Holdings Corp. (Revolver)[7][9]	05/14/2026	Media	—	—	1,624	—	(16)
MBS Holdings, Inc. (Revolver)[7][9]	04/16/2027	Internet Software and Services	—	—	1,157	—	(23)
MeritDirect, LLC	05/23/2024	Media	6.50 %	3M L+550	25,250	25,029	24,997
MeritDirect, LLC (Revolver) [7], [9]	05/23/2024	Media	—	—	4,482	—	(45)
Mission Critical Electronics, Inc.	09/28/2022	Capital Equipment	6.00 %	1M L+500	606	604	606
Mission Critical Electronics, Inc. (Revolver) [7]	09/28/2022	Capital Equipment	6.00 %	1M L+500	468	468	468
Mission Critical Electronics, Inc. (Revolver) [7], [9]	09/28/2022	Capital Equipment	—	—	857	—	—
Municipal Emergency Services, Inc. [7]	09/28/2027	Distributors	6.00 %	3M L+500	3,500	3,430	3,430
Municipal Emergency Services, Inc. [7], [9]	09/28/2027	Distributors	—	—	947	—	—
Municipal Emergency Services, Inc. (Revolver) [7], [9]	09/28/2027	Distributors	—	—	947	—	—
NBH Group LLC (Revolver) [7], [9]	08/19/2026	Healthcare Equipment and Supplies	—	—	1,677	—	(34)
OIS Management Services, LLC	07/09/2026	Healthcare Equipment and Supplies	5.75 %	3M L+475	3,195	3,156	3,147
OIS Management Services, LLC [7], [9]	07/09/2023	Healthcare Equipment and Supplies	—	—	1,911	—	(14)
OIS Management Services, LLC (Revolver) [7], [9]	07/09/2026	Healthcare Equipment and Supplies	—	—	444	—	(7)
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	7.25 %	3M L+625	8,952	8,779	8,795
ORL Acquisition, Inc. [7]	09/03/2027	Consumer Finance	6.25 %	3M L+525	7,268	7,124	7,123
ORL Acquisition, Inc. (Revolver) [7], [9]	09/03/2027	Consumer Finance	—	—	861	—	—
Output Services Group, Inc.	03/27/2024	Business Services	5.50 %	1M L+450	4,900	4,448	4,459
Ox Two, LLC	05/18/2026	Construction and Building	7.00 %	1M L+600	22,636	22,296	22,184
Ox Two, LLC (Revolver) [7]	05/18/2026	Construction and Building	7.00 %	1M L+600	903	903	885
Ox Two, LLC (Revolver) [7], [9]	05/18/2026	Construction and Building	—	—	2,484	—	(50)
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	644	642	644
PlayPower, Inc.	05/08/2026	Leisure Products	5.70 %	1M L+550	5,074	5,037	4,981
PRA Events, Inc.	08/07/2025	Business Services	11.50 % (PIK 11.50%)	1M L+1,050	3,158	2,724	2,985
Quantic Electronics, LLC	11/19/2026	Electronic Equipment, Instruments, and Components	7.25 %	1M L+625	8,716	8,583	8,542
Quantic Electronics, LLC [7], [9]	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	2,810	—	(28)
Quantic Electronics, LLC (Revolver) [7], [9]	11/19/2026	Electronic Equipment, Instruments, and Components	—	—	670	—	(13)
Questex, LLC	09/09/2024	Media: Diversified and Production	6.00 %	3M L+500	7,275	7,195	6,839
Questex, LLC (Revolver)	09/09/2024	Media: Diversified and Production	6.00 %	3M L+500	718	718	675
Questex, LLC (Revolver) [7], [9]	09/09/2024	Media: Diversified and Production	—	—	479	—	(29)
Rancho Health MSO, Inc. [7]	12/18/2025	Healthcare Equipment and Supplies	6.75 %	3M L+575	1,050	1,050	1,050
Rancho Health MSO, Inc. (Revolver) [7], [9]	12/18/2025	Healthcare Equipment and Supplies	—	—	525	—	—
Recteq, LLC	01/29/2026	Leisure Products	7.00 %	3M L+600	1,493	1,466	1,478
Recteq, LLC (Revolver) [7], [9]	01/29/2026	Leisure Products	—	—	1,296	—	(13)
Research Horizons, LLC	06/28/2022	Media: Advertising, Printing and Publishing	7.25 %	3M L+625	6,719	6,694	6,652
Research Now Group, Inc. and Dynata, LLC	12/20/2024	Business Services	6.50 %	3M L+550	17,322	17,099	17,102
Riverpoint Medical, LLC	06/20/2025	Healthcare Equipment and Supplies	6.00 %	3M L+450	8,115	8,039	8,015
Riverpoint Medical, LLC (Revolver) [7], [9]	06/20/2025	Healthcare Equipment and Supplies	—	—	909	—	(11)
Riverside Assessments, LLC	03/10/2025	Professional Services	6.75 %	3M L+575	16,174	15,950	15,769
Sales Benchmark Index LLC	01/03/2025	Professional Services	7.75 %	3M L+600	7,906	7,796	7,708
Sales Benchmark Index LLC (Revolver) [7], [9]	01/03/2025	Professional Services	—	—	1,293	—	(32)
Sargent & Greenleaf Inc.	12/20/2024	Electronic Equipment, Instruments, and Components	7.00 %	1M L+550	3,694	3,656	3,694
Sargent & Greenleaf Inc. (Revolver)	12/20/2024	Electronic Equipment, Instruments, and Components	7.00 %	1M L+550	528	528	528
Sargent & Greenleaf Inc. (Revolver) [7],[9]	12/20/2024	Electronic Equipment, Instruments, and Components	—	—	528	—	—
Schlesinger Global, Inc.	07/14/2025	Professional Services	8.00 %	1M L+700	13,377	13,275	12,775
Schlesinger Global, Inc. (Revolver)	07/14/2025	Professional Services	8.00 %	1M L+700	1,181	1,181	1,128
Schlesinger Global, Inc. (Revolver) [7], [9]	07/14/2025	Professional Services	—	—	691	—	(31)
Sigma Defense Systems, LLC	12/18/2025	IT Services	9.75 %	3M L+875	805	787	791
Sigma Defense Systems, LLC (Revolver) [7], [9]	12/18/2025	IT Services	—	—	837	—	(15)
Signature Systems Holding Company	05/03/2024	Commercial Services & Supplies	8.50 %	1M L+750	11,700	11,598	11,583
Signature Systems Holding Company (Revolver) [7]	05/03/2024	Commercial Services & Supplies	8.50 %	1M L+750	419	419	415
Signature Systems Holding Company (Revolver) [9]	05/03/2024	Commercial Services & Supplies	—	—	1,328	—	(13)
Signature Systems Holding Company - Term Loan II	12/31/2021	Commercial Services & Supplies	8.50 %	1M L+750	699	695	692

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Smile Brands Inc.	10/14/2024	Healthcare and Pharmaceuticals	5.27 %	1M L+450	1,962	$ 1,962	$ 1,942
Smile Brands Inc. (Revolver) [7], [9]	10/14/2024	Healthcare and Pharmaceuticals	—	—	1,616	—	(16)
Snak Club, LLC (Revolver) [7]	07/19/2021	Beverage, Food and Tobacco	7.00 %	3M L+600	67	67	67
Snak Club, LLC (Revolver) [7], [9]	07/19/2021	Beverage, Food and Tobacco	—	—	428	—	—
Solutionreach, Inc.	01/17/2024	Healthcare Technology	6.75 %	3M L+575	5,989	5,928	5,989
Solutionreach, Inc. (Revolver) [7], [9]	01/17/2024	Healthcare Technology	—	—	1,665	—	—
Spear Education, LLC	02/26/2025	Professional Services	6.00 %	3M L+500	14,898	14,752	14,898
Spear Education, LLC [7], [9]	02/26/2022	Professional Services	—	—	6,875	—	—
Spectacle Gary Holdings, LLC	12/23/2025	Hotels, Restaurants and Leisure	11.00 %	1M L+900	4,988	4,871	5,415
STV Group Incorporated	12/11/2026	Construction & Engineering	5.33 %	1M L+525	4,752	4,712	4,728
TAC LifePort Purchaser, LLC	03/01/2026	Aerospace and Defense	7.00 %	3M L+600	531	521	531
TAC LifePort Purchaser, LLC (Revolver) [7], [9]	03/01/2026	Aerospace and Defense	—	—	1,302	—	(0)
TeleGuam Holdings, LLC	11/20/2025	Wireless Telecommunication Services	5.50 %	1M L+450	3,127	3,103	3,096
Teneo Holdings LLC	07/18/2025	Diversified Financial Services	6.25 %	1M L+525	5,853	5,754	5,821
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	7.00 %	3M L+600	4,968	4,900	4,919
The Bluebird Group LLC	07/27/2026	Professional Services	8.00 %	3M L+700	4,844	4,750	4,814
The Bluebird Group LLC (Revolver) [7], [9]	07/27/2026	Professional Services	—	—	862	—	(5)
The Infosoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	6.75 %	3M L+575	15,725	15,633	15,725
The Vertex Companies, LLC [7], [9]	08/30/2027	Construction & Engineering	—	—	2,734	—	(24)
The Vertex Companies, LLC (Revolver) [7], [9]	08/30/2027	Construction & Engineering	—	—	911	—	(17)
TPC Canada Parent, Inc. and TPC US Parent, LLC [5], [10]	11/24/2025	Food Products	6.25 %	3M L+525	4,913	4,876	4,765
TVC Enterprises, LLC	03/26/2026	Commercial Services & Supplies	6.75 %	1M L+575	24,987	24,663	24,987
TVC Enterprises, LLC (Revolver) [7], [9]	03/26/2026	Commercial Services & Supplies	—	—	1,304	—	—
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	7.25 %	1M L+625	6,636	6,524	6,636
TWS Acquisition Corporation (Revolver) [7], [9]	06/16/2025	Diversified Consumer Services	—	—	2,628	—	—
Tyto Athene, LLC	04/01/2028	IT Services	6.25 %	1M L+550	12,036	11,861	12,036
Tyto Athene, LLC (Revolver) [7], [9]	04/01/2026	IT Services	—	—	1,040	—	—
UBEO, LLC	04/03/2024	Capital Equipment	5.50 %	3M L+450	18,112	18,015	18,022
UBEO, LLC (Revolver)	04/03/2024	Capital Equipment	5.50 %	3M L+450	1,467	1,467	1,459
UBEO, LLC (Revolver) [9]	04/03/2024	Capital Equipment	—	—	1,467	—	(7)
Urology Management Associates, LLC	08/30/2024	Healthcare Providers and Services	5.50 %	3M L+450	4,776	4,721	4,752
Vision Purchaser Corporation	06/10/2025	Media	7.75 %	1M L+675	14,249	14,045	14,035
Walker Edison Furniture Company LLC	03/31/2027	Wholesale	6.75 %	1M L+575	12,438	12,147	11,971
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	6.00 %	3M L+500	3,057	3,039	3,042
Wildcat Buyerco, Inc. [7], [9]	02/27/2022	Electronic Equipment, Instruments, and Components	—	—	2,491	—	16
Wildcat Buyerco, Inc. (Revolver) [7], [9]	02/27/2026	Electronic Equipment, Instruments, and Components	—	—	534	—	(7)
Total First Lien Secured Debt						772,799	764,584
Second Lien Secured Debt—0.7%							
Mailsouth Inc. [7]	04/23/2025	Media: Advertising, Printing and Publishing	15.00 %	—	864	864	864
					-	-	-
			(PIK 15.00%)				
PT Network Intermediate Holdings, LLC [7]	11/30/2024	Healthcare and Pharmaceuticals	11.00 %	3M L+1,000	2,343	2,331	2,343
			(PIK 11.00%)				
QuantiTech LLC	02/04/2027	Aerospace and Defense	11.00 %	3M L+1,000	150	147	147
Total Second Lien Secured Debt						3,343	3,355
Preferred Equity— 1.3% [6]							
Ad.net Holdings, Inc. [7],[8]	—	Media	—	—	6,720	672	672
CI (PTN) Investment Holdings II, LLC (PT Network, LLC) [7], [8]	—	Healthcare and Pharmaceuticals	—	—	1,458	22	—
Mars Intermediate Holdings II, Inc. [7]	—	Media	—	—	835	835	872
MeritDirect Holdings, LP [7], [8]	—	Media	—	—	960	960	1,232
NXOF Holdings, Inc. (Tyto Athene, LLC) [7]	—	IT Services	—	—	733	733	926
ORL Holdco, Inc. [7]	—	Consumer Finance	—	—	1,327	133	133
PT Network Intermediate Holdings, LLC [7],[8]	—	Healthcare and Pharmaceuticals	11.00 %	3M L+1,000	33	429	536
Signature CR Intermediate Holdco, Inc. [7]	—	Commercial Services & Supplies	12.00 %	—	1,323	1,323	1,628
TPC Holding Company, LP [5], [7], [10]	—	Food Products	—	—	409	409	490
TWD Parent Holdings, LLC (The Vertex Companies, LLC) [7]	—	Construction & Engineering	—	—	37	37	37
UniTek Global Services, Inc. - Super Senior Preferred Equity [7]	—	Telecommunications	20.00 %	—	343,861	344	—
UniTek Global Services, Inc. - Senior Preferred Equity [7]	—	Telecommunications	19.00 %	—	448,851	449	—
UniTek Global Services, Inc. [7]	—	Telecommunications	13.50 %	—	1,047,317	670	—
Total Preferred Equity						7,016	6,525
Common Equity/Warrants— 16.8% [6]							
Ad.net Holdings, Inc. [7],[8]	—	Media	—	—	7,467	75	137
Affinion Group Holdings, Inc. (Warrants)[7]	04/10/2024	Consumer Goods: Durable	—	—	8,893	245	—
AG Investco LP [7], [8]	—	Software	—	—	805,164	805	1,192
AG Investco LP [7], [8], [9]	—	Software	—	—	194,836	—	—
Altamira Intermediate Company II, Inc. [7]	—	IT Services	—	—	1,437,500	1,438	378
By Light Investco LP [7], [8]	—	High Tech Industries	—	—	21,908	2,100	12,799
By Light Investco LP [7], [8], [9]	—	High Tech Industries	—	—	7,401	—	—
CI (Allied) Investment Holdings, LLC (PRA Events, Inc.) [7], [8]	—	Business Services	—	—	120,962	1,243	475
CI (PTN) Investment Holdings II, LLC (PT Network, LLC) [7], [8]	—	Healthcare and Pharmaceuticals	—	—	13,333	200	—
Connatix Parent, LLC [7]	—	Media	—	—	38,278	421	423
Crane 1 Acquisition Parent Holdings, L.P. [7]	—	Commercial Services & Supplies	—	—	130	120	120
Crash Champions Holdings, LLC [7],[8]	—	Automobiles	—	—	75	678	764

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index (1)	Par / Shares	Cost	Fair Value (2)
Delta InvestCo LP (Sigma Defense Systems, LLC) (7), (8)	—	IT Services	—	—	502,435	$ 502	$ 430
Delta InvestCo LP (Sigma Defense Systems, LLC) (7), (8),(9)	—	IT Services	—	—	502,435	—	(73)
ECM Investors, LLC (7), (8)	—	Electronic Equipment, Instruments, and Components	—	—	295,982	72	997
eCommission Holding Corporation (7), (10)	—	Banking, Finance, Insurance & Real Estate	—	—	20	251	288
FedHC InvestCo LP (7),(8)	—	Aerospace and Defense	—	—	4,951	495	504
FedHC InvestCo LP (7),(8),(9)	—	Aerospace and Defense	—	—	6,051	—	—
Gauge InfosoftCoInvest, LLC (The Infosoft Group, LLC) (7)	—	Media: Broadcasting and Subscription	—	—	500	144	2,217
Gauge Lash Coinvest LLC (7)	—	Personal Products	—	—	1,485,953	227	5,944
Gauge Schlesinger Coinvest LLC (7)	—	Professional Services	—	—	437	437	440
Gauge TVC Coinvest, LLC (TVC Enterprises, LLC) (7)	—	Professional Services	—	—	391,144	—	1,285
GCOM InvestCo LP (7),(8)	—	IT Services	—	—	17,951	2,930	3,404
GCOM InvestCo LP (7), (8), (9)	—	IT Services	—	—	2,398	—	—
Go Dawgs Capital III, LP (American Insulated Glass, LLC) (7), (8)	—	Building Products	—	—	324,675	325	406
Hancock Claims Consultants Investors, LLC (7), (8)	—	Insurance	—	—	450,000	450	613
IIN Group Holdings, LLC (Integrative Nutrition, LLC) (7), (8)	—	Consumer Services	—	—	1,000	1,000	1,950
Ironclad Holdco, LLC (Applied Technical Services, LLC) (7), (8)	—	Commercial Services & Supplies	—	—	5,040	496	552
ITC Rumba, LLC (Cano Health, LLC) (7),(8)	—	Healthcare and Pharmaceuticals	—	—	46,763	110	7,569
JWC/UMA Holdings, L.P. (Urology Management Associates, LLC) (7)	—	Healthcare and Pharmaceuticals	—	—	1,000	1,000	1,667
JWC-WE Holdings, L.P. (Walker Edison Furniture Company LLC) (7), (8)	—	Wholesale	—	—	1,381,741	—	4,795
KL Stockton Co-Invest LP (Any Hour Services) (7),(8)	—	Energy Equipment and Services	—	—	382,353	382	382
Kentucky Racing Holdco, LLC (Warrants) (7), (8)	—	Hotels, Restaurants and Leisure	—	—	87,345	—	621
Lightspeed Investment Holdco LLC (7)	—	Healthcare Technology	—	—	585,587	586	674
Mars Intermediate Holdings II, Inc. (7)	—	Media	—	—	835	—	341
MeritDirect Holdings, LP (7), (8)	—	Media	—	—	960	—	224
MSpark, LLC (Mailsouth Inc.)	—	Media: Advertising, Printing and Publishing	—	—	3,988	1,288	859
Municipal Emergency Services, Inc. (7)	—	Distributors	—	—	802,162	802	802
NEPRT Parent Holdings, LLC (Recteq, LLC) (7), (8)	—	Leisure Products	—	—	1,494	1,452	1,767
NXOF Holdings, Inc. (Tyto Athene, LLC) (7)	—	IT Services	—	—	14,960	15	855
OceanSound Discovery Equity, LP (Holdco Sands Intermediate, LLC) (7), (8)	—	Aerospace and Defense	—	—	173,638	1,729	2,870
Oral Surgery (ITC) Holdings, LLC (OIS Management Services, LLC) (7),(8)	—	Healthcare Equipment and Supplies	—	—	3,872	83	83
ORL Holdco, Inc. (7)	—	Consumer Finance	—	—	1,474	15	15
PennantPark-TSO Senior Loan Fund, LP (7)	—	Financial Services	—	—	15,321,693	15,322	15,574
PT Network Intermediate Holdings, LLC (7),(8)	—	Healthcare and Pharmaceuticals			25	295	2,485
QuantiTech InvestCo LP (7), (8)	—	Aerospace and Defense	—	—	700	66	365
QuantiTech InvestCo LP (7), (8), (9)	—	Aerospace and Defense	—	—	967	—	—
QuantiTech InvestCo II LP (7), (8),	—	Aerospace and Defense	—	—	40	24	21
RFMG Parent, LP (Rancho Health MSO, Inc.) (7)	—	Healthcare Equipment and Supplies	—	—	1,050,000	1,050	1,253
SBI Holdings Investments LLC (Sales Benchmark Index LLC) (7), (8)	—	Professional Services	—	—	64,634	646	492
Signature CR Intermediate Holdco, Inc. (7)	—	Commercial Services & Supplies	—	—	70	70	—
SSC Dominion Holdings, LLC Class A (US Dominion, Inc.) (7)	—	Capital Equipment	—	—	500	500	630
SSC Dominion Holdings, LLC Class B (US Dominion, Inc.) (7)	—	Capital Equipment	—	—	500	—	1,178
StellPen Holdings, LLC (CF512, Inc.) (7)	—	Media	—	—	161,538	162	162
TAC LifePort Holdings, LLC (7),(8)	—	Aerospace and Defense	—	—	488,372	488	545
TPC Holding Company, LP (5), (7), (10)	—	Food Products	—	—	21,527	22	62
TWD Parent Holdings, LLC (The Vertex Companies, LLC) (7)	—	Construction & Engineering	—	—	749	1	1
UniTek Global Services, Inc. (7)	—	Telecommunications	—	—	213,739	—	—
UniTek Global Services, Inc. (Warrants) (7)	—	Telecommunications	—	—	23,889	—	—
UniVista Insurance (7),(8)	—	Insurance	—	—	400	400	405
Wildcat Parent, LP (Wildcat Buyerco, Inc.) (7), (8)	—	Electronic Equipment, Instruments, and Components	—	—	2,240	224	398
Total Common Equity/Warrants						41,384	82,342
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						824,542	856,806
Investments in Non-Controlled, Affiliated Portfolio Companies—1.5% (3), (4)							
Second Lien Secured Debt—1.1%							
DBI Holdings, LLC, Term Loan B	02/02/2026	Business Services	11.00 % (PIK 3.00%)	—	3,405	3,405	3,405
DBI Holding, LLC - 1.5 Lien Term Loan (7)	05/01/2023	Business Services	14.00 % (PIK 14.00%)	—	2,190	2,190	2,190
Total Second Lien Secured Debt						5,594	5,594
Preferred Equity— 0.4% (6)							
DBI Intermediate HoldCo LLC, Series A-1 (8)	—	Business Services	14.00 %	—	9,488	7,041	-
DBI Intermediate HoldCo LLC, Series AA (8)	—	Business Services	—	—	9,800	9,414	1,839
Total Preferred Equity						16,455	1,839
Common Equity— 0.0% (6)							
DBI Intermediate HoldCo LLC, Series B (8)	—	Business Services	—	—	1,489,508	331	—
Total Common Equity						331	—
Total Investments in Non-Controlled, Affiliated Portfolio Companies						22,380	7,433

(in thousands, except share data)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [(1)]	Par / Shares	Cost	Fair Value [(2)]
Investments in Controlled, Affiliated Portfolio Companies—44.3% [(3), (4)]							
First Lien Secured Debt—34.6%							
Marketplace Events, LLC - Super Priority First Lien Term Loan [(7)]	09/30/2025	Media: Diversified and Production	6.25 % (PIK 6.25%)	3M L+525	3,417	$ 3,417	$ 3,417
Marketplace Events, LLC - Super Priority First Lien [(7), (9)]	09/30/2025	Media: Diversified and Production	—	—	3,261	—	—
Marketplace Events, LLC	09/30/2026	Media: Diversified and Production	0.00 % [(6)]	—	25,542	19,047	25,542
PennantPark Senior Secured Loan Fund I LLC [(7), (9), (10)]	05/06/2024	Financial Services	8.13 %	3M L+800	140,875	140,875	140,875
Total First Lien Secured Debt						163,339	169,834
Equity Interests—9.7%							
New MPE Holdings, LLC (Marketplace Events, LLC) [(7),(8)]	—	Media: Diversified and Production	—	—	349	—	2,690
PennantPark Senior Secured Loan Fund I LLC [(7), (9), (10)]	—	Financial Services	—	—	60,375	60,375	44,856
Total Equity Interests						60,375	47,546
Total Investments in Controlled, Affiliated Portfolio Companies						223,714	217,380
Total Investments—220.5%						1,070,636	1,081,619
Cash and Cash Equivalents—10.2%							
BlackRock Federal FD Institutional 30						7,433	7,433
BNY Mellon Cash						42,392	42,392
Total Cash and Cash Equivalents						49,826	49,826
Total Investments and Cash Equivalents—230.6%						$ 1,120,462	$ 1,131,445
Liabilities in Excess of Other Assets—(130.6)%							(640,834)
Net Assets—100.0%							$ 490,611

(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 payment-in-kind, or PIK, interest and other fee rates, if any.

(2) Valued based on our accounting policy (See Note 2). The value of all securities was determined using significant unobservable inputs (See Note 5).

(3) 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.

(4) 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.

(5) Non-U.S. company or principal place of business outside the United States.

(6) Non-income producing securities.

(7) The securities, or a portion thereof, are not 1) pledged as collateral under the Credit Facility and held through Funding I; or, 2) securing the 2031 Asset-Backed Debt (See Note 10) and held through PennantPark CLO I, Ltd.

(8) Investment is held through our Taxable Subsidiary (See Note 1).

(9) 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.

(10) 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, 2021, qualifying assets represent 81% of our total assets and non-qualifying assets represent 19% of our total assets.

(11) Par amount is denominated in Canadian Dollars (C$) as denoted.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

PennantPark Floating Rate Capital Ltd. was organized as a Maryland corporation in October 2010. 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 objectives are to generate both current income and capital appreciation while seeking to preserve capital. We seek to achieve our investment objective by investing primarily in Floating Rate Loans, and other investments made to U.S. middle-market private companies whose debt is rated below investment grade. Floating Rate Loans pay interest at variable rates, which are determined periodically, on the basis of a floating base lending rate such as LIBOR, with or without a floor, plus a fixed spread. Under normal market conditions, we generally expect that at least 80% of the value of our Managed Assets will be invested in Floating Rate Loans and other investments bearing a variable rate of interest, which may include, from time to time, variable rate derivative instruments. We generally expect that first lien secured debt will represent at least 65% of our overall portfolio. We generally expect to invest up to 35% of our overall portfolio opportunistically in other types of investments, including second lien secured debt, subordinated debt, and, to a lesser extent, equity investments.

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. 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.

Funding I, our wholly-owned subsidiary and a special purpose entity, was organized in Delaware as a limited liability company in May 2011. We formed Funding I in order to establish the Credit Facility. The Investment Adviser serves as the collateral manager to Funding I and has irrevocably directed that any management fee owed with respect to such services is to be paid to us so long as the Investment Adviser remains the collateral manager. This arrangement does not increase our consolidated management fee. The Credit Facility allows Funding I to borrow up to $300 million at LIBOR (or an alternative risk-free floating interest rate index) plus 225 basis points during the revolving period. The Credit Facility is secured by all of the assets held by Funding I. See Note 10.

We have formed and expect to continue to form certain taxable subsidiaries, including the Taxable Subsidiary, which are subject to tax as corporations. These taxable subsidiaries allow 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.

In May 2017, we and a subsidiary of Kemper Corporation (NYSE: KMPR), Trinity Universal Insurance Company, or Kemper, formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. See Note 4.

In connection with the issuance of the 2023 Notes, we have dual listed our common stock on the Tel Aviv Stock Exchange or TASE.

In September 2019, the Securitization Issuers completed the Debt Securitization. The 2031 Asset-Backed Debt is secured by a diversified portfolio of the Securitization Issuer consisting primarily of middle market loans and participation interests in middle market loans.

In March 2021 and in October 2021, we issued $100.0 million and $85.0 million, respectively, in aggregate principal amount of $185 million of our 2026 Notes at a public offering price per note of 99.4% and 101.5%, respectively. Interest on the 2026 Notes is paid semi-annually on April 1 and October 1 of each year, at a rate of 4.25% per year, commencing October 1, 2021. The 2026 Notes mature on April 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 our 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.

In April 2021, we formed PTSF, an unconsolidated limited partnership, organized as a Delaware limited liability partnership. We sold $81.4 million in investments to a wholly-owned subsidiary of PTSF in exchange for cash in the amount of $69.5 million and an $11.9 million equity interest in PTSF representing 23.08% of the total outstanding Class A Units of PTSF. We recognized $0.4 million of realized gain upon the formation of PTSF. As of March 31, 2022, our capital commitment of $15.3 million is fully funded and we hold 23.08% of the total outstanding Class A Units of PTSF and a 4.99% voting interest in the general partner which manages PTSF.

On August 20, 2021, we entered into equity distribution agreements (together, the “Equity Distribution Agreements”) with each of JMP Securities LLC and Raymond James & Associates, Inc., as the sales agents, in connection with the sale of shares of our common stock, par value $0.001 per share (the “Common Stock”), with an aggregate offering price of up to $75 million under an at-the-market offering (the “ATM Program”). The Equity Distribution Agreements provide that we may offer and sell shares of our Common Stock from time to time through a Sales Agent in amounts and at times to be determined by us. Actual sales will depend on a variety of factors to be determined by us from time to time, including, market conditions and the trading price of our Common Stock.

During the six months ended March 31, 2022, we issued 2,328,838 shares of our Common Stock under the ATM Program at a weighted-average price of $13.10 per share, raising $30.5 million of gross proceeds. Net proceeds were $30.1 million after commissions to the Sales Agents on shares sold. As of March 31, 2022, we had $43.1 million available under the ATM Program.

Since inception of the ATM Program through March 31, 2022, we have issued 2,437,492 shares of our Common Stock at a weighted-average price of $13.09, raising $31.9 million of gross proceeds. Net proceeds were $31.4 million after commissions to the Sales Agents on shares sold. We incurred $0.5 million of legal and other offering costs associated with establishing the ATM Program.

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 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, the global outbreak of the novel coronavirus ("COVID-19") during the first quarter of 2020, and any other parameters used in determining these estimates and assumptions could cause actual results to differ from these 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. 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 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 the 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 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 our 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 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 the 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 the change in the fair values of our portfolio investments, the Credit Facility and the 2023 Notes during the reporting period, including any 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. Litigation settlements are accounted for in accordance with the gain contingency provisions of ASC Subtopic 450-30, Gain Contingencies, or ASC 450-30.

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 March 31, 2022, we had two portfolio companies on non-accrual, representing 2.5% and 2.3% of our overall portfolio on a cost and fair value basis, respectively. As of September 30, 2021, we had two portfolio companies on non-accrual, representing 2.7% and 2.6% 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 U.S. federal income taxes. However, we may choose to retain a portion of our calendar year income, which may result in the imposition of a federal excise tax, or we may incur taxes through our taxable subsidiaries, including the Taxable Subsidiary. For both the three and six months ended March 31, 2022 and 2021, we recorded a provision for taxes on net investment income of $0.1 million and $0.2 million, respectively, pertaining to 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 ongoing 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.

PFLT Investment Holdings, LLC, a wholly-owned subsidiary of the Company (the "Taxable Subsidiary"), 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 and six months ended March 31, 2022, the Company recognized a provision for taxes of $3.8 million and $5.3 million, respectively, on unrealized appreciation on investments by the Taxable Subsidiary. For the three and six months ended March 31, 2021, the Company recognized a provision for taxes of zero on unrealized appreciation on investments by the Taxable Subsidiary. The provision for taxes on unrealized appreciation on investments is the result of netting (i) the expected tax liability on gains from sales of investments and (ii) the expected tax benefit from the use of losses in the current year. As of March 31, 2022 and September 30, 2021, $5.3 million and zero, respectively, was accrued as a deferred tax liability on the Consolidated Statements of Assets and Liabilities relating to unrealized gain on investments. During the three and six months ended March 31, 2022, the Company paid $1.2 million in taxes on realized gains on the sale of investments held by the Taxable Subsidiary, resulting in a $1.2 million prepaid tax asset as of March 31, 2022 included under prepaid expenses and other assets in the consolidated statement of assets and liabilities.

Because federal income tax regulations differ from GAAP, distributions 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 the 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 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 value 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 Floating Rate Capital Ltd. will generally not consolidate its investment in a company other than an investment company wholly-owned subsidiary or a controlled operating company whose business consists of providing services to us. Accordingly, we have consolidated the results of our taxable subsidiaries, including the Taxable Subsidiary, Funding I and the Securitization Issuer in our Consolidated Financial Statements. We do not consolidate our non-controlling interest in PSSL or PTSF. See further description of our investment in PSSL 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. The creditors of Funding I have received a security interest in all of its assets and such assets are not intended to be available to the creditors of PennantPark Floating Rate Capital Ltd. or any of its affiliates.

(h) Recent Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update 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.

3. AGREEMENTS AND RELATED PARTY TRANSACTIONS

(a) Investment Management Agreement

Base Management Fee

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 2022. 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 collateral manager to Funding I and has irrevocably directed that any management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager. This arrangement does not increase our consolidated management fee. For providing these services, the Investment Adviser receives a fee from us consisting of two components— a base management fee and an incentive fee.

The base management fee is calculated at an annual rate of 1.00% of our "average adjusted gross assets," which equals our gross assets (net 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. 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 and six months ended March 31, 2022, the Investment Adviser earned a base management fee of $2.9 million and $5.8 million respectively, from us. For the three and six months ended March 31, 2021, the Investment Adviser earned a base management fee of $2.6 million and $5.3 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) 50% 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 2.9167% in any calendar quarter (11.67% annualized) (we refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the hurdle but is less than 2.9167%) as the "catch-up," which is meant to provide our Investment Adviser with 20% of our Pre-Incentive Fee Net Investment Income, as if a hurdle did not apply, if this net investment income exceeds 2.9167% in any calendar quarter), and (3) 20% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.9167% in any calendar quarter. These calculations are pro-rated for any share issuances or repurchases during the relevant quarter, if applicable. For the three and six months ended March 31, 2022, the Investment Adviser earned $2.7 million and $5.9 million, respectively, in incentive fees on net investment income from us. For the three and six months ended March 31, 2021, the Investment Adviser earned $1.3 million and $3.1 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 equals 20% of our realized capital gains, 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 the three and six months ended March 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 20% of such amount, less the aggregate amount of actual capital gains related to incentive fees paid in all prior years. 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. The incentive fee accrued for, but not payable, under GAAP on our unrealized and realized capital gains for the three and six months ended March 31, 2022 and 2021, was zero.

(b) Administration Agreement

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 2022. Under the Administration Agreement, the Administrator provides administrative services and office facilities to us. 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 and their respective staffs. 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 and six months ended March 31, 2022, we reimbursed the Investment Adviser approximately $0.4 million and $0.9 million, respectively, including expenses the Investment Adviser incurred on behalf of the Administrator, for services described above. For the three and six months ended March 31, 2021, we reimbursed the Investment Adviser approximately $0.5 million and $0.7 million, respectively, including expenses the Investment Adviser incurred on behalf of the Administrator, for services described above.

(c) Other Related Party Transactions

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

For the three and six months ended March 31, 2022, we sold $57.7 million and $180.4 in investments to PSSL at fair value, respectively, and recognized $(0.2) million and $(0.5) million of net realized losses, respectively, for the same period. For both the three and six months ended March 31, 2021, we sold $125.2 million in investments to PSSL at fair value and recognized $0.3 million of net realized gains.

For the six months ended March 31, 2022, we sold no investments to PTSF.

4. INVESTMENTS

Purchases of investments, including PIK interest, for the three and six months ended March 31, 2022 totaled $113.7 million and $449.2 million, respectively. For the same periods in the prior year, purchases of investments, including PIK interest, for the three and six months ended March 31, 2021 totaled $160.8 million and $229.3 million, respectively. Sales and repayments of investments for the three and six months ended March 31, 2022 totaled $103.9 million and $342.2 million, respectively. For the same periods in the prior year, sales and repayments of investments for the three and six months ended March 31, 2021 totaled $172.1 million and $281.7 million, respectively.

Investments and cash and cash equivalents consisted of the following:

($ in thousands)	**March 31, 2022**		**September 30, 2021**	
Investment Classification	**Cost**	**Fair Value**	**Cost**	**Fair Value**
First lien	$ 863,986	$ 861,657	$ 795,264	$ 793,543
First lien in PSSL	170,275	170,275	140,875	140,875
Second lien	1,079	1,035	8,937	8,949
Equity	58,946	104,240	65,186	93,396
Equity interests in PSSL	72,975	55,405	60,375	44,856
Total investments	1,167,262	1,192,613	1,070,636	1,081,619
Cash and cash equivalents	50,053	50,064	49,826	49,826
Total investments and cash and cash equivalents	$ 1,217,315	$ 1,242,676	$ 1,120,462	$ 1,131,445

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:

Industry Classification	March 31, 2022 [1]	September 30, 2021 [1]
Professional Services	8%	8%
Media	7	9
Personal Products	7	7
High Tech Industries	6	4
IT Services	6	5
Aerospace and Defense	5	4
Capital Equipment	5	6
Commercial Services & Supplies	5	5
Media: Diversified and Production	5	5
Automobiles	4	2
Business Services	3	4
Construction and Building	3	3
Diversified Consumer Services	3	2
Electronic Equipment, Instruments, and Components	3	3
Healthcare Technology	3	4
Consumer Services	2	2
Diversified Financial Services	2	2
Healthcare Equipment and Supplies	2	2
Insurance	2	1
Media: Broadcasting and Subscription	2	2
Air Freight and Logistics	1	—
Banking, Finance, Insurance & Real Estate	1	1
Building Products	1	1
Chemicals, Plastics and Rubber	1	2
Construction & Engineering	1	1
Consumer Finance	1	—
Energy Equipment and Services	1	1
Financial Services	1	2
Food Products	1	—
Healthcare and Pharmaceuticals	1	—
Healthcare Providers and Services	1	1
Hotels, Restaurants and Leisure	1	2
Leisure Products	1	—
Software	1	—
Textiles, Apparel and Luxury Goods	1	—
Wholesale	1	2
Healthcare and Pharmaceuticals	—	—
Hotel, Gaming and Leisure	—	1
Media: Advertising, Printing and Publishing	—	2
All Other	1	4
Total	100%	100%

(1) Excludes investments in PSSL.

PennantPark Senior Secured Loan Find I LLC

In May 2017, we and Kemper formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. As of March 31, 2022 and September 30, 2021, PSSL had total assets of $729.0 million and $603.6 million, respectively. As of the same dates, we and Kemper had remaining commitments to fund first lien secured debt and equity interests in PSSL in an aggregate amount of $56.9 and $8.1million, respectively. As of March 31, 2022, at fair value, the largest investment in a single portfolio company in PSSL was $19.2 million and the five largest investments totaled $86.2 million. As of September 30, 2021, at fair value, the largest investment in a single portfolio company in PSSL was $18.9 million and the five largest investments totaled $83.9 million. PSSL invests in portfolio companies in the same industries in which we may directly invest.

We provide capital to PSSL in the form of first lien secured debt and equity interests. As of March 31, 2022 and September 30, 2021, we and Kemper owned 87.5% and 12.5%, respectively, of each of the outstanding first lien secured debt and equity interests. As of the same dates, our investment in PSSL consisted of first lien secured debt of $170.3 million (additional $39.8 million unfunded) and $140.9 million (additional $29.4 million unfunded), respectively, and equity interests of $73.0 million (additional $17.1 million unfunded) and $60.4 million (additional $12.6 million unfunded), respectively.

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

Additionally, PSSL has entered into a $225.0 million (increased from $155.0 million in October 2021) senior secured revolving credit facility which bears interest at LIBOR (or an alternative risk-free floating interest rate index) plus 250 basis points, or the PSSL Credit Facility 2, with Ally Bank through its wholly-owned subsidiary, PennantPark Senior Secured Loan Facility LLC II, or PSSL Subsidiary II, subject to leverage and borrowing base restrictions.

In January 2021, PSSL completed a $300.7 million debt securitization in the form of a collateralized loan obligation, or the “2032 Asset-Backed Debt”. The 2032 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO II, Ltd., a wholly-owned and consolidated subsidiary of PSSL, consisting primarily of middle market loans and participation interests in middle market loans. The 2032 Asset-Backed Debt is scheduled to mature in January 2032. On the closing date of the transaction, in consideration of PSSL’s transfer to PennantPark CLO II, Ltd. of the initial closing date loan portfolio, which included loans distributed to PSSL by certain of its wholly owned subsidiaries and us, PennantPark CLO II, Ltd. transferred to PSSL 100% of the Preferred Shares of PennantPark CLO II, Ltd. and 100% of the Class E Notes issued by PennantPark CLO II, Ltd.

Below is a summary of PSSL’s portfolio at fair value:

($ in thousands)	March 31, 2022	September 30, 2021
Total investments	$ 704,958	$ 564,783
Weighted average cost yield on income producing investments	7.3 %	7.1 %
Number of portfolio companies in PSSL	87	74
Largest portfolio company investment	$ 19,157	$ 18,933
Total of five largest portfolio company investments	$ 86,192	$ 84,287

Below is a listing of PSSL's individual investments as of March 31, 2022 (Par and $ in thousands):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par	Cost	Fair Value [2]
First Lien Secured Debt - 1,107.9%							
Ad.net Acquisition, LLC	5/6/2026	Media	7.00 %	3M L+600	8,933	$ 8,820	$ 8,933
Altamira Technologies, LLC	7/24/2025	Business Services	9.00 %	3M L+800	5,375	5,244	5,160
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	4,913	4,867	4,913
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	6.25 %	3M L+525	1,015	1,015	1,015
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	6.50 %	1M L+550	2,212	2,212	2,212
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	1.12 %	3M L+525	4,153	4,082	4,153
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.76 %	3M L+575	4,489	4,405	4,433
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	6.00 %	SOFR + 5.00%	13,137	12,944	12,940
Broder Bros., Co.	12/2/2022	Consumer Products	8.00 %	3M L+700	2,585	2,585	2,585
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	7.25 %	1M L+625	15,236	15,169	15,083
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	9.50 %	3M L+850	12,379	12,339	12,280
CF512, Inc.	8/20/2026	Media	7.00 %	3M L+600	4,975	4,882	4,925
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	5.51 %	3M L+450	5,586	5,503	5,586
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	8.00 %	3M L+675	9,353	9,318	9,073
Connatix Buyer, Inc.	7/13/2027	Media	6.25 %	1M L+550	3,980	3,908	4,000
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	6.75 %	3M L+575	2,121	2,092	2,100
Crash Champions, LLC	8/5/2025	Automobiles	6.00 %	3M L+500	14,918	14,644	14,545
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	8,701	8,674	8,701
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	7,285	7,262	7,285
Dr. Squatch, LLC	8/27/2026	Personal Products	7.00 %	1M L+600	14,950	14,671	14,950
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	6.75 %	3M L+575	15,596	15,511	15,519
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	6.50 %	1M L+550	10,342	10,182	10,166
ECL Entertainment, LLC	3/31/2028	Hotels, Restaurants and Leisure	8.25 %	3M L+750	2,634	2,609	2,645
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	5.75 %	3M L+475	4,994	4,994	4,894
Exigo Intermediate II, LLC	3/15/2027	Software	6.75 %	3M L+575	13,000	12,809	12,805
Fairbanks More Defense	6/17/2028	Aerospace and Defense	5.50 %	3M L+475	9,950	9,908	9,805
FlexPrint, LLC	1/2/2024	Commercial Services & Supplies	6.14 %	1M L+594	4,770	4,740	4,770
Gantech Acquisition Corp.	5/14/2026	IT Services	5.87 %	3M L+625	14,788	14,556	14,640
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,948	3,929	3,908
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	6.75 %	3M L+575	2,381	2,327	2,315
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.00 %	3M L+500	2,469	2,418	2,469
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	7.01 %	1M L+600	4,988	4,893	4,888
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+500	3,067	3,012	3,006
IDC Infusion Services, Inc	12/30/2026	Healthcre Equipment and supplies	7.00 %	6M L+600	10,000	9,807	9,800
Imagine Acquisitionco, LLC	11/15/2027	Software	6.50 %	3M L+550	5,391	5,283	5,283
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	6.50 %	1M L+550	4,683	4,582	4,566
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	5.50 %	3M L+450	11,492	11,463	11,492
ITI Holdings, Inc	3/3/2028	IT Services	6.25 %	SOFR + 5.50%	4,000	3,931	3,930
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	9.00 %	1M L+800	19,350	19,146	19,157
Kinetic Purchaser, LLC	11/10/2027	Personal Products	7.00 %	3M L+600	8,445	8,286	8,360
Lash OpCo, LLC	2/18/2027	Personal Products	8.00 %	1M L+700	14,428	14,119	14,428
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.51 %	3M L+600	10,547	10,501	10,305
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	6.75 %	3M L+575	10,657	10,449	10,550
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	6.25 %	3M L+550	4,444	4,362	4,344
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	6.25 %	3M L+525	637	637	637
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production		—	589	-	-
Marketplace Events, LLC [3], [4]	9/30/2026	Media: Diversified and Production	0.00 %	—	4,764	3,441	4,764
Mars Acquisition Holdings Corp.	5/14/2026	Media	6.50 %	1M L+550	9,950	9,819	9,875
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	5.18 %	1M L+550	7,444	7,325	7,369
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	6.50 %	1M L+550	2,408	2,361	2,360
MeritDirect, LLC	5/23/2024	Media: Advertising, Printing & Publishing	6.50 %	3M L+550	5,426	5,327	5,426
Mission Critical Electronics, Inc.	9/28/2022	Capital Equipment	6.00 %	3M L+500	5,859	5,854	5,859
Municipal Emergency Services, Inc.	9/28/2027	Distributors	6.00 %	3M L+500	3,483	3,418	3,368
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	6.50 %	3M L+550	10,875	10,677	10,820
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	7.50 %	3M L+650	14,513	14,456	14,367
OIS Management Services, LLC	7/9/2026	Healthcare Equipment and Supplies	5.75 %	1M L+475	1,985	1,959	1,965
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	7.25 %	3M L+625	14,845	14,576	14,696
Output Services Group, Inc.	3/27/2024	Business Services	5.50 %	3M L+450	7,683	7,760	6,761
Owl Acquisition, LLC	2/4/2028	Professional Services	6.75 %	3M L+575	4,000	3,922	3,900
Ox Two, LLC	5/18/2026	Construction and Building	8.00 %	3M L+700	4,950	4,884	4,851
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	5.51 %	3M L+500	9,643	9,348	8,871
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	7.50 %	3M L+650	8,279	8,144	8,134
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	1,570	1,565	1,570
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	5.72 %	3M L+550	2,594	2,508	2,447
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.25 %	3M L+625	3,942	3,863	3,863
Recteq, LLC	1/29/2026	Leisure Products	7.00 %	3M L+600	4,950	4,871	4,876
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	6.50 %	1M L+550	10,624	10,549	10,414
Sales Benchmark Index LLC	1/3/2025	Professional Services	7.75 %	3M L+600	5,311	5,243	5,311
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	7.00 %	3M L+550	5,448	5,401	5,448
Schlesinger Global, Inc.	7/14/2025	Business Services	8.00 %	3M L+600	11,809	11,896	11,691
Sigma Defense Systems, LLC	12/18/2025	Aerospace and Defense	9.50 %	3M L+850	14,905	14,561	14,682

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [(1)]	Par / Shares	Cost	Fair Value [(2)]
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	5.25 %	3M L+475	12,507	$ 12,370	$ 12,163
Snak Club, LLC	7/19/2022	Beverage, Food and Tobacco	7.00 %	1M L+600	4,301	4,291	4,301
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	6.75 %	1M L+575	5,859	5,829	5,601
SpendmendHoldings, LLC	3/1/2028	Healthcare Technology	6.75 %	3M L+575	2,971	2,928	2,923
STV Group Incorporated	12/11/2026	Construction and Building	5.61 %	1M L+525	9,075	9,006	8,803
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	7.00 %	3M L+600	14,963	14,675	14,469
TAC LifePort Purchaser, LLC	3/1/2026	Aerospace and Defense	7.00 %	3M L+600	4,630	4,555	4,630
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	5.50 %	1M L+450	10,279	10,258	10,177
Teneo Holdings LLC	7/18/2025	Business Services	6.25 %	1M L+525	2,298	2,295	2,270
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	7.00 %	3M L+600	5,688	5,616	5,631
The Bluebird Group LLC	7/27/2026	Professional Services	7.50 %	3M L+650	1,724	1,693	1,758
The Infosoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	6.75 %	3M L+575	13,208	13,202	13,208
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	6.50 %	1M L+550	5,606	5,500	5,533
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	6.25 %	3M L+525	8,789	8,629	8,525
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	7.00 %	1M L+600	15,028	14,924	14,727
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	7.25 %	3M L+625	6,291	6,262	6,291
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	6.25 %	3M L+550	15,628	15,489	15,238
UBEO, LLC	4/3/2024	Capital Equipment	5.50 %	3M L+450	17,481	17,375	17,131
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	9.75 %	3M L+575	12,555	12,284	12,367
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	6.75 %	3M L+575	5,678	5,632	5,678
Zips Car Wash, LLC	3/1/2024	Automobiles	7.75 %	3M L+725	17,000	16,707	16,830
Total First Lien Secured Debt						702,338	701,494
Second Lien Secured Debt - 4.6%							
Inventus Power, Inc.	09/29/2024	Consumer Goods: Durable	P(IK 9.00%) 9.50 %	3M L+850	3,000	2,955	2,925
Total Second Lien Secured Debt						2,955	2,925
Equity Securities - 2.6%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	539
Total Equity Securities						-	539
Total Investments - 1,113.3%						705,293	704,958
Cash and Cash Equivalents - 32.2%							
BlackRock Federal FD Institutional 30						20,373	20,383
Total Cash and Cash Equivalents						20,373	20,383
Total Investments and Cash Equivalents —1,145.5%						$ 725,666	$ 725,341
Liabilities in Excess of Other Assets — (1,045.5)%							(662,021)
Members' Equity—100.0%							$ 63,320

(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 PSSL's accounting policy.

(3) Non-U.S. company or principal place of business outside the United States.

(4) Non-income producing security.

(5) 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 PSSL's individual investments as of September 30, 2021 (Par and $ in thousands)

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par	Cost	Fair Value [2]
First Lien Secured Debt - 1,088.%							
Ad.net Acquisition, LLC	05/06/2026	Media	7.00 %	3M L+600	8,978	$ 8,852	$ 8,843
Altamira Technologies, LLC	07/24/2025	Business Services	8.00 %	3M L+700	5,525	5,376	5,180
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	5,721	5,653	5,663
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	6.25 %	3M L+525	1,021	1,021	1,010
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	6.50 %	1M L+550	2,222	2,222	2,200
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	6.25 %	3M L+525	4,174	4,103	4,132
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.75 %	3M L+575	4,511	4,419	4,421
By Light Professional IT Services, LLC	05/16/2022	High Tech Industries	7.25 %	1M L+625	12,880	12,869	12,880
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	9.50 %	3M L+850	12,282	12,231	11,981
			P(IK 9.50%)				
Cano Health	11/23/2027	Healthcare, Education & Childcare	5.25 %	3M L+450	2,653	2,647	2,654
CHA Holdings, Inc.	04/10/2025	Construction and Engineering	5.50 %	3M L+450	5,615	5,519	5,530
Challenger Performance Optimization, Inc.	08/31/2023	Business Services	8.00 %	1M L+675	9,501	9,454	9,216
			P(IK 1.00%)				
Connatix Buyer, Inc	07/13/2027	Media	6.25 %	1M L+550	4,000	3,922	3,920
CoolSys, Inc	08/04/2028	Business Services	5.50 %	1M L+475	1,909	1,890	1,914
Crane 1 Services Inc	08/16/2027	Commercial Services & Supplies	6.75 %	1M L+575	2,132	2,100	2,110
Crash Champions, LLC	08/05/2025	Automobiles	6.00 %	3M L+500	8,978	8,802	8,798
Digital Room Holdings, Inc.	05/22/2026	Commercial Services & Supplies	5.08 %	1M L+500	3,228	3,111	3,186
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	8,746	8,695	8,746
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	7,323	7,278	7,323
Dr. Squatch, LLC	8/27/2026	Personal Products	7.00 %	3M L+600	10,000	9,803	9,800
DRS Holdings III, Inc.	11/03/2025	Consumer Goods: Durable	7.25 %	1M L+625	15,676	15,584	15,566
East Valley Tourist Development Authority	03/07/2022	Hotels, Restaurants and Leisure	9.00 %	3M L+800	5,719	5,624	5,633
			P(IK 3.50%)				
ECL Entertainment, LLC	03/312028	Hotels, Restaurants and Leisure	8.25 %	1M L+750	2,647	2,621	2,707
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	5.50 %	1M L+450	4,994	4,994	4,894
Fairbanks More Defense	06/17/2028	Aerospace and Defense	5.50 %	3M L+475	10,000	9,955	10,000
FlexPrint, LLC	01/02/2024	Commercial Services & Supplies	6.02 %	1M L+590	4,770	4,732	4,746
Gantech Acquisition Corp.	05/14/2026	IT Services	7.25 %	3M L+625	14,925	14,648	14,627
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,968	3,948	3,948
Graffiti Buyer, Inc	08/10/2027	Trding Companies & Distributors	6.75 %	3M L+575	2,393	2,346	2,357
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.00 %	3M L+500	2,481	2,425	2,456
Holdco Sands Intermediate, LLC	12/19/2025	Aerospace and Defense	7.50 %	3M L+600	6,474	6,407	6,441
IMIA Holdings, Inc.	04/09/2027	Aerospace and Defense	6.75 %	3M L+575	13,589	13,338	13,317
Integrative Nutrition, LLC	09/29/2023	Diversified Consumer Services	5.50 %	3M L+450	11,567	11,528	11,567
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	8.00 %	1M L+700	19,450	19,193	18,933
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.50 %	3M L+750	10,491	10,435	9,833
			P(IK 1.00%)				
Lightspeed Buyer Inc.	02/3/2026	Healthcare Providers and Services	6.75 %	1M L+575	5,707	5,606	5,707
Lucky Bucks, LLC	07/20/2027	Hotel, Gaming and Leisure	6.25 %	1M L+550	4,500	4,411	4,424
Marketplace Events, LLC [3][4]	09/30/2025	Media: Diversified and Production	6.25 %	3M L+525	617	617	617
Super Priority First Lien Term Loan			P(IK 6.25%)				
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan [3][4]	09/30/2025	Media: Diversified and Production	—	—	589	—	—
Marketplace Events LLC [4]	09/30/2026	Media: Diversified and Production	0.00 %	—	4,615	3,441	4,615
Mars Acquisition Holdings Corp.	05/14/2026	Media	6.50 %	1M L+550	10,000	9,813	9,900
MBS Holdings, Inc.	04/16/2027	Internet Software and Services	6.75 %	3M L+575	7,481	7,338	7,332
MeritDirect, LLC	05/23/2024	Media: Advertising, Printing & Publishing	6.50 %	3M L+550	5,532	5,412	5,477
Mission Critical Electronics, Inc.	09/28/2022	Capital Equipment	6.00 %	3M L+500	5,890	5,877	5,890
NBH Group LLC	08/19/2026	Healthcare, Education & Culture	6.50 %	3M L+550	10,902	10,687	10,684
New Milani Group LLC	06/06/2024	Consumer Goods: Non-Durable	6.50 %	1M L+550	14,550	14,481	13,895
OIS Management Services LLC	07/09/2026	Healthcare Equipment and Supplies	5.75 %	1M L+475	1,995	1,966	1,965
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	7.25 %	1M L+625	14,920	14,631	14,659
Output Services Group, Inc.	03/27/2024	Business Services	5.50 %	1M L+450	7,743	7,733	7,047
Ox Two, LLC	05/18/2026	Construction and Building	7.00 %	3M L+600	4,975	4,901	4,876
PH Beauty Holdings III, Inc.	09/29/2025	Wholesale	5.12 %	1M L+500	9,693	9,514	9,467
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	1,578	1,568	1,578
PlayPower, Inc.	05/8/2026	Consumer Goods: Durable	5.63 %	3M L+550	3,805	3,720	3,736
Recteq, LLC	01/29/2026	Leisure Products	7.00 %	3M L+600	4,975	4,888	4,925
Research Now Group, Inc. and Survey Sampling International LLC	12/20/2024	Diversified Consumer Services	6.50 %	3M L+550	10,680	10,592	10,544
Sales Benchmark Index LLC	01/03/2025	Professional Services	7.75 %	3M L+600	5,578	5,496	5,439
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	7.00 %	1M L+550	5,550	5,493	5,550
Schlesinger Global, Inc.	07/14/2025	Business Services	8.00 %	3M L+700	11,785	11,760	11,254
Smile Brands Inc.	10/14/2024	Healthcare and Pharmaceuticals	5.32 %	3M L+450	12,576	12,459	12,451
Snak Club, LLC	07/19/2022	Beverage, Food and Tobacco	7.00 %	1M L+600	4,388	4,362	4,388
Solutionreach, Inc.	01/17/2024	Healthcare and Pharmaceuticals	6.75 %	1M L+575	5,892	5,854	5,892

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Spectacle Gary Holdings, LLC	12/23/2025	Hotels, Restaurants and Leisure	11.00 %	1M L+900	4,389	4,506	4,765
STV Group Incorporated	12/11/2026	Construction and Building	5.33 %	1M L+525	9,075	9,004	9,030
TAC LifePort Purchaser, LLC	03/01/2026	Aerospace and Defense	7.00 %	3M L+600	4,950	4,860	4,948
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	5.50 %	1M L+450	10,337	10,313	10,234
Teneo Holdings LLC	07/18/2025	Business Services	6.25 %	1M L+525	2,309	2,306	2,297
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	6.77 %	3M L+550	5,713	5,634	5,656
The Bluebird Group LLC	07/27/2026	Professional Services	8.00 %	3M L+700	1,744	1,710	1,733
The Infosoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	6.75 %	6M L+575	13,383	13,376	13,383
The Vertex Companies, LLC	08/30/2027	Construction and Engineering	6.50 %	6M L+550	5,634	5,523	5,529
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	6.25 %	3M L+525	8,834	8,655	8,569
TVC Enterprises, LLC	03/26/2026	Diversified Consumer Services	6.75 %	1M L+575	8,558	8,593	8,558
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	7.25 %	1M L+625	6,636	6,599	6,636
Tyto Athene, LLC	08/27/2024	IT Services	6.25 %	1M L+550	11,443	11,334	11,443
UBEO, LLC	04/03/2024	Capital Equipment	5.50 %	1M L+450	17,571	17,457	17,483
Urology Management Associates, LLC	08/30/2024	Healthcare and Pharmaceuticals	5.50 %	1M L+450	11,030	10,849	10,975
Walker Edison Furniture Company LLC	03/31/2027	Wholesale	6.75 %	1M L+575	12,438	12,142	11,971
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	6.00 %	3M L+500	5,706	5,656	5,678
Total First Lien Secured Debt						558,880	557,732
Second Lien Secured Debt - 10.5%							
DBI Intermediate Holdco, LLC, Term Loan B [4]	02/02/2026	Business Services	11.00 % P(IK 9.00%)	—	2,434	2,434	2,434
Inventus Power, Inc.	09/29/2024	Consumer Goods: Durable	9.50 %	3M L+850	3,000	2,947	2,940
Total Second Lien Secured Debt						5,381	5,374
Equity Securities - 3.3%							
DBI Intermediate Holdco, LLC, Series A-1 [4]	—	Business Services	13.00 %	—	7	5,034	—
DBI Intermediate Holdco, LLC, Series AA [4]	—	Business Services	—	—	7	6,731	1,314.7
DBI Intermediate Holdco, LLC, Series B [4]	—	Business Services	—	—	1,065	237	—
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	0	—	362.2
Total Equity Securities						12,002	1,677
Total Investments - 1101.7%						576,263	564,783
Cash and Cash Equivalents - 55.3%							
BlackRock Federal FD Institutional 30						28,191	28,191
US Bank Cash						196	183
Total Cash and Cash Equivalents						28,387	28,374
Total Investments and Cash Equivalents —1,157.1%						$ 604,650	$ 593,157
Liabilities in Excess of Other Assets — (1057.1)%							(541,893)
Members' Equity—100.0%							$ 51,264

(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 PSSL's accounting policy.

(3) Non-U.S. company or principal place of business outside the United States.

(4) Non-income producing security

Below is the financial information for PSSL:

Consolidated Statements of Assets and Liabilities
($ In thousands)

	March 31, 2022 (Unaudited)	September 30, 2021
Assets		
Investments at fair value (cost—$705,293 and $576,263, respectively)	$ 704,958	$ 564,783
Cash and cash equivalents (cost—$20,373 and $28,387, respectively)	20,383	28,374
Interest receivable	2,014	1,414
Receivable for investment sold	—	7,323
Prepaid expenses and other assets	1,675	1,666
Total assets	729,030	603,559
Liabilities		
Payable for investments purchased	38,542	31,963
Credit facility payable	184,500	112,000
2032 Asset-backed debt, net (par—$246,000)	243,061	242,757
Notes payable to members	194,600	161,000
Interest payable on Credit Facility	1,881	1,741
Interest payable on notes to members	2,889	2,656
Accrued other expenses	236	178
Total liabilities	665,710	552,295
Members' equity	63,320	51,264
Total liabilities and members' equity	$ 729,030	$ 603,559

(1) As of March 31, 2022 and September 30, 2021, PSSL had unfunded commitments to fund investments of $0.6 and $0.6 million, respectively.

Consolidated Statements of Operations
(Unaudited)
($ In thousands)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Investment income:				
Interest	$ 11,981	$ 8,305	$ 22,932	$ 15,053
Other income	149	96	1,020	251
Total investment income	12,130	8,401	23,951	15,304
Expenses:				
Interest and expense on credit facility and asset-backed debt	3,673	2,533	6,847	3,949
Interest expense on notes to members	3,640	2,956	7,195	6,010
Administrative services expenses	300	300	600	600
Other general and administrative expenses	289	195	578	391
Total expenses	7,902	5,984	15,219	10,950
Net investment income	4,227	2,416	8,732	4,354
Realized and unrealized (loss) gain on investments and credit facility foreign currency translation currency translations:				
Net realized loss on investments	(14,584)	(484)	(14,932)	(1,276)
Net change in unrealized (depreciation) appreciation on:				
Investments	14,760	3,480	11,556	7,664
Credit facility foreign currency translation	—	171	—	(489)
Net change in unrealized (depreciation) appreciation on investments and credit facility foreign currency translations	14,760	3,651	11,556	7,175
Net realized and unrealized (loss) gain from investments and credit facility foreign currency translations	176	3,167	(3,376)	5,900
Net increase in members' equity resulting from operations	$ 4,403	$ 5,582	$ 5,356	$ 10,254

(1) No management or incentive fees are payable by PSSL. If any fees were to be charged, they would be separately disclosed in the Statement of Operations.

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 2031 Asset-Backed Debt and our Credit Facility are classified as Level 3. Our 2026 Notes are classified as Level 2 as they are financial instruments with readily observable market inputs. Our 2023 Notes are classified as Level 1, as they were valued using the closing price from the primary exchange. 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 Floating Rate Loans, mainly first lien secured debt, but also may include 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 2023 Notes, our 2026 Notes, our 2031 Asset-Backed Debt and our 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 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 as a practical expedient within the fair value hierarchy.

The remainder of our investment portfolio and our long-term 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 the 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 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 ($ in thousands):

Asset Category	**Fair value at March 31, 2022**	**Valuation Technique**	**Unobservable Input**	**Range of Input (Weighted Average)** [(1)]
First lien	$ 122,979	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	907,578	Market Comparable	Market Yield	6.3% - 14.4% (8.6%)
Second lien	150	Market Comparable	Market Yield	12.3%
First lien	1,375	Enterprise Market Value	EBITDA multiple	9.0x
Second lien	885	Enterprise Market Value	EBITDA multiple	5.9x
Equity	89,036	Enterprise Market Value	EBITDA multiple	3.9x - 23.3x (12.6x)
Equity	3,854	Enterprise Market Value	DLOM	16.6%
Total Level 3 investments	$ 1,125,858			
Debt Category				
Long-Term Credit Facility	$ 249,910	Market Comparable	Market Yield	2.3%

Asset Category	**Fair value at September 30, 2021**	**Valuation Technique**	**Unobservable Input**	**Range of Input (Weighted Average)** [(1)]
First lien	$ 177,480	Market Comparable	Broker/Dealer bids or quotes	N/A
First lien	754,004	Market Comparable	Market Yield	5.6% – 13.0% (7.5%)
Second lien	8,085	Market Comparable	Market Yield	11.0% – 14.0% (11.8%)
First lien	2,934	Enterprise Market Value	EBITDA multiple	1.8x
Second lien	864	Enterprise Market Value	EBITDA multiple	5.4x
Equity	70,253	Enterprise Market Value	EBITDA multiple	4.7x – 18.5x (11.5x)
Equity	7,569	Enterprise Market Value	DLOM	9.3%
Total Level 3 investments	$ 1,021,189			
Debt Category				
Long-Term Credit Facility	$ 218,852	Market Comparable	Market Yield	2.1%

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

Our investments, cash and cash equivalents, Credit Facility or Prior Credit Facility, as applicable, 2023 Notes, 2026 Notes and 2031 Asset-Backed Debt were categorized as follows in the fair value hierarchy for ASC 820 purposes ($ in thousands):

	Fair Value at March 31, 2022				
Description	Fair Value	Level 1	Level 2	Level 3	Measured at Net Asset Value [(1)]
First lien	$ 1,031,932	$ —	$ —	$ 1,031,932	$ —
Second lien	1,035	—	—	1,035	—
Equity	159,646	—	—	92,891	66,755
Total investments	1,192,613	—	—	1,125,858	66,755
Cash and cash equivalents	50,064	50,064	—	—	—
Total investments and cash and cash equivalents	$ 1,242,676	$ 50,064	$ —	$ 1,125,858	$ 66,755
Credit Facility payable	$ 249,910	$ —	$ —	$ 249,910	$ —
2023 Notes payable	88,275	88,275	—	—	—
2026 Notes payable [(2)]	181,888	—	181,888	—	—
2031 Asset-Backed Debt[(2)]	225,813	—	—	225,813	—
Total debt	$ 745,886	$ 88,275	$ 181,888	$ 475,722	$ —

(1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSSL and PTSF are measured using the net asset value per share (or its equivalent) as a practical expedient for fair value, and thus have not been classified in the fair value hierarchy.

(2) We elected not to apply the fair value option allowed by ASC 825-10 to the 2026 Notes and the 2031 Asset-Backed Debt and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value, which approximates the fair value.

	Fair Value at September 30, 2021				
Description	Fair Value	Level 1	Level 2	Level 3	Measured at Net Asset Value [(1)]
First lien	$ 934,418	$ —	$ —	$ 934,418	$ —
Second lien	8,949	—	—	8,949	—
Equity	138,252	—	—	77,822	60,430
Total investments	1,081,619	—	—	1,021,189	60,430
Cash and cash equivalents	49,826	49,826	—	—	—
Total investments and cash and cash equivalents	$ 1,131,445	$ 49,826	$ —	$ 1,021,189	$ 60,430
Credit Facility payable	$ 218,852	$ —	$ —	$ 218,852	$ —
2023 Notes payable	111,114	111,114	—	—	—
2026 Notes payable [(2)]	97,171	—	97,171	—	—
2031 Asset-Backed Debt[(2)]	225,497	—	—	225,497	—
Total debt	$ 652,633	$ 111,114	$ 97,171	$ 444,349	$ —

(1) In accordance with ASC Subtopic 820-10, Fair Value Measurements and Disclosures, or ASC 820-10, our equity investment in PSSL 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 the fair value option allowed by ASC 825-10 to the 2031 Asset-Backed Debt and thus the balance reported in the Consolidated Statement of Assets and Liabilities represents the carrying value, which approximates the fair value.

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

	Six months ended March 31, 2022		
Description	First Lien	Second lien, subordinated debt and equity investments	Totals
Beginning Balance	$ 934,418	$ 86,771	$ 1,021,189
Net realized losses	437	(13,118)	(12,681)
Net change in unrealized depreciation	(609)	17,098	16,489
Purchases, PIK interest, net discount accretion and non-cash exchanges	419,465	19,468	438,933
Sales, repayments and non-cash exchanges	(321,779)	(16,293)	(338,072)
Transfers in and/or out of Level 3	—	—	—
Ending Balance	$ 1,031,932	$ 93,926	$ 1,125,858
Net change in unrealized depreciation reported within the net change in unrealized depreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date.	$ 511	$ 16,874	$ 17,385

Description	Six months ended March 31, 2021 First Lien	Second lien, subordinated debt and equity investments	Totals
Beginning Balance	$ 968,616	$ 78,402	$ 1,047,018
Net realized losses	(413)	(1,027)	(1,440)
Net change in unrealized depreciation	10,248	19,336	29,584
Purchases, PIK interest, net discount accretion and non-cash exchanges	217,674	12,466	230,140
Sales, repayments and non-cash exchanges	(280,157)	(1,513)	(281,670)
Transfers in and/or out of Level 3	—	—	—
Ending Balance	$ 915,968	$ 107,664	$ 1,023,632
Net change in unrealized depreciation reported within the net change in unrealized depreciation on investments in our Consolidated Statements of Operations attributable to our Level 3 assets still held at the reporting date.	$ 8,579	$ 19,402	$ 27,981

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

Long-Term Credit Facility	Six months ended March 31, 2022	2021
Beginning Balance (cost – $219,400 and $308,599, respectively)	$ 218,852	$ 299,047
Net change in unrealized (depreciation) appreciation included in earnings	805	8,857
Borrowings	137,254	113,500
Repayments	(107,000)	(275,199)
Transfers in and/or out of Level 3	—	—
Ending Balance (cost – $249,654 and $146,900, respectively)	$ 249,910	$ 146,206

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

Foreign Currency	Amount Borrowed	Borrowing Cost	Current Value	Reset Date	Change in Fair Value
Australian Dollar	$ 10,000	$ 7,254	7,510	4/1/2022	256

As of September 30, 2021 we did not have any outstanding non-U.S. dollar borrowings on the Credit Facility.

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 Credit Facility and the 2023 Notes. We elected to use the fair value option for our Credit Facility and the 2023 Notes 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 Credit Facility during both the three months ended March 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 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 Credit Facility and the 2023 Notes are reported in our Consolidated Statements of Operations. We elected not to apply ASC 825-10 to any other financial assets or liabilities, including our 2026 Notes and the 2031 Asset-Backed Debt.

For the three and six months ended March 31, 2022, the Credit Facility and the 2023 Notes had a net change in unrealized (appreciation) depreciation of $(2.4) million and $1.2 million, respectively. For the three and six months ended March 31, 2021, the Credit Facility and the 2023 Notes had a net change in unrealized appreciation of $10.5 million and $14.5 million, respectively. As of March 31, 2022 and September 30, 2021, the net unrealized depreciation on the Credit Facility and the 2023 Notes totaled $8.5 million and $7.2 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of the Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments. Our 2023 Notes trade on the TASE and we use the closing price on the exchange to determine the fair value.

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 generally 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 six months ended March 31, 2022 were as follows ($ in thousands):

Name of Investment	Fair Value at September 30, 2021	Gross Additions	Sale of/ Distribution from Affiliates	Net Change in Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2022	Interest Income	Dividend/ Other Income	Net Realized Gains (Losses)
Non-Controlled Affiliates								
DBI Holding, LLC	$7,433	$—	$(22,380)	$14,947	$—	$112	$—	$(22,380)
Country Fresh Holding Company Inc.	-	—	—	—	—	—	—	65
Total Non-Controlled Affiliates	$7,433	$—	$(22,380)	$14,947	$—	$112	$—	$(22,315)
Controlled Affiliates								
Marketplace Events, LLC	$31,649	$110	$—	$2,132	$33,891	$110	$—	$—
PennantPark Senior Secured Loan Fund I LLC *	185,731	42,000	—	(2,051)	225,680	6,296	6,738	—
Total Controlled Affiliates	$217,380	$42,110	$—	$81	$259,571	$6,405	$6,738	$—
Total Controlled and Non-Controlled Affiliates	$224,813	$42,110	$(22,380)	$15,029	$259,571	$6,517	$6,738	$(22,315)

* We and Kemper are the members of PSSL, a joint venture formed as a Delaware limited liability company that is not consolidated by us for financial reporting purposes. The members of PSSL make investments in PSSL in the form of first lien secured debt and equity interests, and all portfolio and other material decisions regarding PSSL must be submitted to PSSL's board of directors or investment committee, both of which are comprised of two members appointed by each of us and Kemper. Because management of PSSL is shared equally between us and Kemper, we do not believe we control PSSL 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 (decrease) in net assets resulting from operations ($ in thousands, except per share data):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	2021	2022	2021
Numerator for net increase in net assets resulting from operations	$ 7,246	$ 11,673	$ 21,679	$ 37,804
Denominator for basic and diluted weighted average shares	39,533,349	38,772,074	39,244,132	38,772,074
Basic and diluted net increase in net assets per share resulting from operations	$ 0.18	$ 0.30	$ 0.55	$ 0.98

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 March 31, 2022 and September 30, 2021, cash and cash equivalents consisted of money market funds in the amounts of $50.1 million and $49.8 million at fair value, respectively.

9. FINANCIAL HIGHLIGHTS

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

	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Per Share Data:		
Net asset value, beginning of period	$ 12.62	$ 12.31
Net investment income (1)	0.61	0.52
Net change in realized and unrealized (loss) gain (1)	(0.06)	0.46
Net increase in net assets resulting from operations (1)	0.55	0.98
Distributions to stockholders (1), (2)	(0.57)	(0.57)
Issuance of common stock	0.02	—
Net asset value, end of period	$ 12.62	$ 12.71
Per share market value, end of period	$ 13.51	$ 11.88
Total return *(3)	10.30 %	47.92 %
Shares outstanding at end of period	41,209,566	38,772,074
Ratios ** **/ Supplemental Data:**		
Ratio of operating expenses to average net assets (4)	5.44 %	4.12 %
Ratio of debt related expenses to average net assets (5)	5.37 %	4.16 %
Ratio of total expenses to average net assets (5)	10.80 %	8.28 %
Ratio of net investment income to average net assets (5)	9.69 %	8.24 %
Net assets at end of period	$ 519,986	$ 492,974
Weighted average debt outstanding	$ 808,594	$ 600,760
Weighted average debt per share (1)	$ 20.60	$ 15.49
Asset coverage per unit (6)	$ 1,684	$ 1,825
Portfolio turnover ratio	28.72 %	44.13 %

* 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 and debt issuance costs, if any, (not annualized).
(6) The asset coverage ratio for a class of senior securities representing indebtedness is calculated on 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.

10. DEBT

The annualized weighted average cost of debt for the six months ended March 31, 2022 and 2021, inclusive of the fee on the undrawn commitment on the Credit Facility or the Prior Credit Facility, as applicable, amendment costs and debt issuance costs, was 3.2% and 3.4%, respectively. As of March 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.

On April 5, 2018, our board of directors 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 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), effective as of April 5, 2019, subject to compliance with certain disclosure requirements. As of March 31, 2022 and September 30, 2021, our asset coverage ratio, as computed in accordance with the 1940 Act, was 168% and 175%, respectively.

Credit Facility

Funding I's multi-currency Credit Facility with affiliates of Truist Bank (formerly SunTrust Bank), or the Lenders, was $300 million as of March 31, 2022, subject to satisfaction of certain conditions and regulatory restrictions that the 1940 Act imposes on us as a BDC, has an interest rate spread above LIBOR (or an alternative risk-free floating interest rate index) of 225 basis points, a maturity date of August 2026 and a revolving period that ends in August 2024. As of March 31, 2022 and September 30, 2021, Funding I had $249.7 million and $219.4 million of outstanding borrowings under the Credit Facility, respectively. The Credit Facility had a weighted average interest rate of 2.5% and 2.3%, exclusive of the fee on undrawn commitments as of March 31, 2022 and September 30, 2021, respectively. As of March 31, 2022 and September 30, 2021, we had $50.3 million and $80.6 million of unused borrowing capacity under the Credit Facility, respectively, subject to leverage and borrowing base restrictions.

During the revolving period, the Credit Facility bears interest at LIBOR (or an alternative risk-free floating interest rate index) plus 225 basis points and, after the revolving period, the rate will reset to Base Rate (or an alternative risk-free floating interest rate index) plus 250 basis points for the remaining two years, maturing in August 2026. The Credit Facility is secured by all of the assets of Funding I. Both we and Funding I have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

The Credit Facility contains covenants, including, but not limited to, restrictions of loan size, industry requirements, average life of loans, geographic and individual portfolio concentrations, minimum portfolio yield and loan payment frequency. Additionally, the Credit Facility requires the maintenance of a minimum equity investment in Funding I and income ratio as well as restrictions on certain payments and issuance of debt. The Credit Facility compliance reporting is prepared on a basis of accounting other than GAAP. As of March 31, 2022, we were in compliance with the covenants relating to the Credit Facility.

We own 100% of the equity interest in Funding I and treat the indebtedness of Funding I as our leverage. Our Investment Adviser serves as collateral manager to Funding I under the Credit Facility.

Our interest in Funding I (other than the management fee) is subordinate in priority of payment to every other obligation of Funding I and is subject to certain payment restrictions set forth in the Credit Facility. We may receive cash distributions on our equity interests in Funding I only after it has made all required payments of (1) cash interest and, if applicable, principal to the Lenders, (2) administrative expenses and (3) claims of other unsecured creditors of Funding I. The Investment Adviser has irrevocably directed that any management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager.

2023 Notes

In November 2017, we issued $138.6 million of our 2023 Notes of which $97.0 million and $117.8 million were outstanding as at March 31, 2022 and September 30, 2021, respectively. The 2023 Notes were issued pursuant to a deed of trust between the Company and Mishmeret Trust Company, Ltd., as trustee.

The 2023 Notes pay interest at a rate of 4.3% per year. As a result of the downgrade of the 2023 Notes from “ilA+” to “ilA-” in March 2020, the interest rate of the 2023 Notes was increased to 4.3% from 3.8%. Interest on the 2023 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2018. The principal on the 2023 Notes will be payable in four annual installments as follows: 15% of the original principal amount on December 15, 2020, 15% of the original principal amount on December 15, 2021, 15% of the original principal amount on December 15, 2022 and 55% of the original principal amount on December 15, 2023.

The 2023 Notes are general, unsecured obligations, rank equal in right of payment with all of PennantPark Floating Rate Capital Ltd.'s existing and future senior unsecured indebtedness and are generally redeemable at our option. The deed of trust governing the 2023 Notes includes certain customary covenants, including minimum equity requirements, and events of default. Please refer to the deed of trust filed as Exhibit (d)(8) to our post-effective amendment filed on December 13, 2017 for more information. The 2023 Notes are rated ilA- by S&P Global Ratings Maalot Ltd. and are listed on the TASE. In connection with this offering, we have dual listed our common stock on the TASE.

The 2023 Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration under the Securities Act or in transactions exempt from, or not subject to, such registration requirements.

2026 Notes

In March 2021 and in October 2021, we issued $100.0 million and $85.0 million, respectively, in aggregate principal amount of $185.0 million of our 2026 Notes at a public offering price per note of 99.4% and 101.5%, respectively. Interest on the 2026 Notes is paid semi-annually on April 1 and October 1 of each year, at a rate of 4.25% per year, commencing October 1, 2021. The 2026 Notes mature on April 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 our 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.

2031 Asset-Backed Debt

In September 2019, the Company completed the $301.4 million term debt securitization. Term debt securitizations, also known as CLOs, are a form of secured financing incurred by the Company, which is consolidated by the Company and subject to the Company’s asset coverage requirements. The 2031 Asset-Backed Debt was issued by the Securitization Issuer. The 2031 Asset-Backed Debt is secured by the middle market loans, participation interests in middle market loans and other assets of the Securitization Issuer. The Debt Securitization was executed through (A) a private placement of: (i) $78.5 million Class A-1 Senior Secured Floating Rate Loans maturing 2031, which bear interest at the three-month LIBOR plus 1.8%, (ii) $15.0 million Class A-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 3.7%, (iii) $14.0 million Class B-1 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 2.9%, (iv) $16.0 million Class B-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 4.3%, (v) $19.0 million Class C-1 Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.0%, (vi) $8.0 million Class C-2 Secured Deferrable Fixed Rate Notes due 2031, which bear interest at 5.4%, and (vii) $18.0 million Class D Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.8% and (B) the borrowing of $77.5 million Class A-1 Senior Secured Floating Rate Loans due 2031, which bear interest at the three-month LIBOR plus 1.8%, under a credit agreement by and among the Securitization Issuers, as borrowers, various financial institutions, as lenders, and U.S. Bank National Association, as collateral agent and as loan agent. The annualized interest on the 2031 Asset-Backed Debt will be paid, to the extent of funds available. The reinvestment period of the Debt Securitization ends on October 15, 2023 and the 2031 Asset-Backed Debt is scheduled to mature on October 15, 2031.

On the closing date of the Debt Securitization, in consideration of our transfer to the Securitization Issuer of the initial closing date loan portfolio, which included loans distributed to us by certain of our wholly-owned subsidiaries, the Securitization Issuer transferred to us 100% of the Preferred Shares of the Securitization Issuer, 100% of the Class D Secured Deferrable Floating Rate Notes issued by the Securitization Issuer, and a portion of the net cash proceeds received from the sale of the 2031 Asset-Backed Debt. The Preferred Shares of the Securitization Issuer do not bear interest and had a stated value of approximately $55.4 million at the closing of the Debt Securitization.

The 2031 Asset-Backed Debt is included in the Consolidated Statement of Assets and Liabilities as debt of the Company and the Class D Secured Deferrable Floating Rate Notes and the Preferred Shares of the Securitization Issuer were eliminated in consolidation. As of both March 31, 2022 and September 30, 2021, the Company had $228.0 million of 2031 Asset-Backed Debt outstanding with a weighted average interest rate of 2.7% and 2.6%, respectively. As of March 31, 2022 and September 30, 2021, the unamortized fees on the 2031 Asset-Backed Debt were $2.2 million and $2.5 million, respectively.

Our Investment Adviser serves as collateral manager to the Securitization Issuer pursuant to the Collateral Management Agreement. For so long as our Investment Adviser serves as collateral manager, it will elect to irrevocably waive any collateral management fee to which it may be entitled under the Collateral Management Agreement.

11. COMMITMENTS AND CONTINGENCIES

From time to time, we, the Investment Adviser or the Administrator 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. As of March 31, 2022 and September 30, 2021, we had $167.9 million and $166.9 million, respectively, in commitments to fund investments. Additionally, as described in Note 4, the Company had unfunded commitments of $56.8 and $42.0 million to PSSL as of March 31, 2022 and September 30, 2021, respectively, that may be contributed primarily for the purpose of funding new investments approved by the PSSL board of directors or investment committee.

12. SUBSEQUENT EVENTS

On April 14, 2022, listing and 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 ("Nasdaq") effective at market close on April 13, 2022.

On May 2, 2022, the PSSL Credit Facility was amended to, among other things, to allow PSSL Subsidiary II to borrow up to $325.0 million (increased from $225.0 million) at any one time outstanding, subject to leverage and borrowing base restrictions.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of PennantPark Floating Rate Capital Ltd. and its Subsidiaries

Results of Review of Interim Financial Statements

We have reviewed the accompanying consolidated statement of assets and liabilities of PennantPark Floating Rate Capital Ltd. and its Subsidiaries (collectively referred to as the Company), including the consolidated schedule of investments, as of March 31, 2022, and the related consolidated statements of operations and changes in net assets for the three-month and six-month periods ended March 31, 2022 and 2021, and cash flows for the six-month periods ended March 31, 2022 and 2021, and the related notes to the consolidated financial statements (collectively, the interim financial information or financial statements). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information 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, 2021, 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, 2021, 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 as of September 30, 2021, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities 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
May 4, 2022

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 current pandemic caused by COVID-19;
- 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 current COVID-19 pandemic;
- our ability to continue to effectively manage our business due to the significant disruptions caused by the current COVID-19 pandemic;
- 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 and ability to fund capital commitments to PSSL;
- 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;
- 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 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 Floating Rate Capital Ltd. is a BDC whose objectives are to generate both current income and capital appreciation while seeking to preserve capital by investing primarily in Floating Rate Loans and other investments made to U.S. middle-market companies.

We believe that Floating Rate Loans to U.S. middle-market companies offer attractive risk-reward to investors due to a limited amount of capital available for such companies. We use the term “middle-market” to refer to companies with annual revenues between $50 million and $1 billion. Our investments are typically rated below investment grade. Securities rated below investment grade are often referred to as “leveraged loans,” “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. However, when compared to junk bonds and other non-investment grade debt, senior secured Floating Rate Loans typically have more robust capital-preserving qualities, such as historically lower default rates than junk bonds, represent the senior source of capital in a borrower's capital structure and often have certain of the borrower's assets pledged as collateral. 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.

Under normal market conditions, we generally expect that at least 80% of the value of our managed assets will be invested in Floating Rate Loans and other investments bearing a variable-rate of interest. We generally expect that first lien secured debt will represent at least 65% of our overall portfolio. We also generally expect to invest up to 35% of our overall portfolio opportunistically in other types of investments, including second lien secured debt and subordinated debt and, to a lesser extent, equity investments. We seek to create a diversified portfolio by generally targeting an investment size between $5 million and $30 million, on average, although we expect that this investment size will vary proportionately with the size of our capital base.

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 Floating Rate Capital Ltd.

PennantPark Floating Rate Capital Ltd., a Maryland corporation organized in October 2010, 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 elected to be treated, and intend to qualify annually, as a RIC under the Code.

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. 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 and their respective staffs. 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.

COVID-19 Developments

COVID-19 was first detected in December 2019 and has since been identified as a global pandemic by the World Health Organization. The effect of the ongoing COVID-19 pandemic or any worsening thereof, uncertainty relating to more contagious strains of the virus, the length of recovery of certain economic sectors in the U.S. and globally and the speed and efficiency of the vaccination process, including the extent to which the available vaccines are ineffective against any new COVID_19 variants, may create stress on the market and may affect some of our portfolio companies. We cannot predict the full impact of the COVID-19 pandemic, including any worsening thereof or its duration in the United States and globally and any impact to our business operations or the business operations of our portfolio companies

Due to the nature of these governmental restrictions and their potentially long-lasting duration, some portfolio companies, especially those in vulnerable industries such as retail, food and beverage and travel, have experienced significant financial distress and may default on their financial obligations to us and their other capital providers. Moreover, certain of our portfolio companies that remain subject to prolonged and severe financial distress, have substantially curtailed their operations, deferred capital expenditures, furloughed or laid off workers and/or terminated relationships with their service providers. Depending on the length and magnitude of the disruption to the operations of our portfolio companies, certain portfolio companies may experience financial distress and possibly default on their financial obligations to us and their other capital providers in the future. These developments could impact the value of our investments in such portfolio companies.

The COVID-19 pandemic, including any worsening thereof, may have an adverse impact on certain sectors of the global economy. Particularly, COVID-19 presents material uncertainty and risk with respect to our future performance and financial results as well as the future performance and financial results of our portfolio companies due to the risk of any sever adverse reactions to the vaccine, politicization of the vaccination process or general public skepticism of the safety and efficacy of the vaccine. While we are unable to predict the ultimate adverse effect of COVID-19, or any worsening thereof, on our results of operation, we have identified certain factors that are likely to affect market, economic and geopolitical conditions, and thereby may adversely affect our business, including:

- U.S. and global economic recovery;
- changes in interest rates, including LIBOR;
- limited availability of credit, both in the United States and internationally;
- disruptions to supply-chains and price volatility;
- changes to existing laws and regulations, or the imposition of new laws and regulations; and
- uncertainty regarding future governmental and regulatory policies.

The business disruption and financial harm resulting from the COVID-19 pandemic experienced by some of our portfolio companies may reduce, over time, the amount of interest and dividend income that we receive from such investments and may require us to provide an increase of capital to such companies in the form of follow on investments. In connection with the adverse effects of the COVID-19 pandemic, we may also need to restructure the capitalization of some of our portfolio companies, which could result in reduced interest payments, an increase in the amount of PIK interest we receive or a permanent reduction in the value of our investments. If our net investment income decreases, the percentage of our cash flows dedicated to debt servicing and distribution payments to stockholders would subsequently increase. If such cash flows cannot be sustained, we may be required to reduce the amount of our future distributions to stockholders. As of March 31, 2022, we had two portfolio companies on non-accrual status, and the continuing impact of the COVID-19 pandemic, or any worsening thereof, may result in additional portfolio investments being placed on non-accrual status in the future.

Additionally, as of March 31, 2022 and September 30, 2021, our asset coverage ratio, as computed in accordance with the 1940 Act, was 168% and 175%, respectively. Our Credit Facility includes standard covenants and events of default provisions. If we fail to make the required payments or breach the covenants therein, it could result in a default under the Credit Facility. Failure to cure such default or obtain a waiver from the appropriate party would result in an event of default, and the lenders may accelerate the repayment of our indebtedness under the Credit Facility, such that all amounts owed are due immediately at the time of default. Such an action would negatively affect our liquidity, business, financial condition, results of operations, cash flows and ability to pay distributions to our stockholders.

We are also subject to financial risks, including changes in market interest rates. As of March 31, 2022, our debt portfolio consisted of 99.9% variable-rate investments. The variable-rate loans are usually based on a floating interest rate index such as LIBOR 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 addition, the Credit Facility currently bears interest at LIBOR (or an alternative risk-free floating interest rate index) plus 225 basis points and, after the revolving period ends in August 2024, the rate will reset to Base Rate (or an alternative risk-free floating interest rate index) plus 250 basis points. In connection with the COVID-19 pandemic, the U.S. Federal Reserve and other central banks have reduced interest rates, which has caused LIBOR to decrease. Due to such rates, our gross investment income has decreased, which could result in a decrease in our net investment income if such decreases in LIBOR are not offset by, among other things, a corresponding increase in the spread over LIBOR that we earn on such loans or a decrease in the interest rate of our floating interest rate liabilities tied to LIBOR. See “Item 3. Quantitative and Qualitative Disclosures About Market Risk” below.

In addition, we have continued to implement our business continuity planning strategy. Our priority has been to safeguard the health of our employees and to ensure continuity of business operations on behalf of our investors. We implemented a heightened level of communication across senior management, our investment team and our board of directors, and we have proactively engaged with our vendors on a regular basis to ensure they continue to meet our criteria for business continuity.

LIBOR Developments

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. As of December 31, 2021, all non-U.S. dollar LIBOR publications have been phased out. The phase out of a majority of the U.S. dollar publications is currently delayed until June 30, 2023. The Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by the U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Although SOFR appears to be the preferred replacement rate for U.S. dollar LIBOR, it is not possible at this time to predict the effect of any such changes, any establishment of alternative reference rates, whether the COVID-19 pandemic will have further effect on LIBOR transition timelines, or other reforms to LIBOR that may be enacted.

The effect of the establishment of alternative reference rates or other reforms to LIBOR or other reference rates is complex and could have a material adverse effect on our business, financial condition and results of operations. Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there are continuing uncertainties regarding the transition from LIBOR, including, but not limited to, the need to amend all contracts with LIBOR as the referenced rate and how this will impact the cost of variable rate debt and certain derivative financial instruments. In addition, SOFR or other replacement rates may fail to gain market acceptance. Any failure of SOFR or alternative reference rates to gain market acceptance could adversely affect the return on, value of and market for securities linked to such rates.

Factors such as the pace of the transition to replacement or reformed rates, the specific terms and parameters for and market acceptance of any alternative reference rate, prices of and the liquidity of trading markets for products based on alternative reference rates, and our ability to transition and develop appropriate systems and analytics for one or more alternative reference rates could also have a material adverse effect on our business, financial condition and results of operations.

At-the-Market Offering

On August 20, 2021, the Company entered into Equity Distribution Agreements with each of JMP Securities LLC and Raymond James & Associates, Inc., as the sales agents (each, a “Sales Agent,” and together, the “Sales Agents”), in connection with the sale of shares of the Company’s Common Stock, par value $0.001 per share, with an aggregate offering price of up to $75 million. The Equity Distribution Agreements provide that the Company may offer and sell shares of the Common Stock from time to time through a Sales Agent in amounts and at times to be determined by the Company. Actual sales will depend on a variety of factors to be determined by the Company from time to time, including, market conditions and the trading price of the Common Stock.

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 floating or fixed rate. Interest on debt securities is generally payable quarterly or semiannually. In some cases, our investments provide for deferred interest payments or 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 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. Litigation settlements are accounted for in accordance with the gain contingency provisions of ASC Subtopic 450-30, Gain Contingencies, or ASC 450-30.

Expenses

Our primary operating expenses include 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. Additionally, we pay interest expense on the outstanding debt and unused commitment fees on undrawn amounts under our various debt facilities. We bear all other direct or indirect costs and expenses of our operations and transactions, including:

- the cost of calculating our NAV, 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 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 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 ACTIVITYd

As of March 31, 2022, our portfolio totaled $1,192.6 million, and consisted of $1,031.9 million of first lien secured debt (including $170.3 million in PSSL), $1.0 million of second lien secured debt and $159.6 million of preferred and common equity (including $55.4 million in PSSL). Our debt portfolio consisted of 100% variable-rate investments. As of March 31, 2022, we had two portfolio companies on non-accrual, representing 2.5% and 2.3% of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized appreciation of $25.4 million. Our overall portfolio consisted of 119 companies with an average investment size of $10.0 million, had a weighted average yield on debt investments of 7.5%, and was invested 87% in first lien secured debt (including 14% in PSSL), less than 1% in second lien secured debt and 13% in preferred and common equity (including 5% in PSSL). As of March 31, 2022, 99.5% of the investments held by PSSL were first lien secured debt.

As of September 30, 2021, our portfolio totaled $1,081.6 million, and consisted of $934.4 million of first lien secured debt (including $140.9 million in PSSL), $8.9 million of second lien secured debt and $138.3 million of preferred and common equity (including $44.9 million in PSSL). Our debt portfolio consisted of 99% variable-rate investments. As of September 30, 2021, we had two portfolio companies on non-accrual, representing 2.7% and 2.6% of our overall portfolio on a cost and fair value basis, respectively. Overall, the portfolio had net unrealized appreciation of $11.0 million. Our overall portfolio consisted of 110 companies with an average investment size of $9.8 million, had a weighted average yield on debt investments of 7.4%, and was invested 86% in first lien secured debt (including 13% in PSSL), 1% in second lien secured debt and 13% in preferred and common equity (including 4% in PSSL). As of September 30, 2021, 99% of the investments held by PSSL were first lien secured debt.

For the three months ended March 31, 2022, we invested $113.2 million in seven new and 29 existing portfolio companies with a weighted average yield on debt investments of 7.2 %. Sales and repayments of investments for the three months ended March 31, 2022 totaled $103.9 million. For the six months ended March 31, 2022, we invested $448.4 million in 23 new and 65 existing portfolio companies with a weighted average yield on debt investments of 7.7%. Sales and repayments of investments for the totaled $342.2 million.

For the three months ended March 31, 2021, we invested $160.2 million in four new and 17 existing portfolio companies with a weighted average yield on debt investments of 7.4%. Sales and repayments of investments for the three months ended March 31, 2021 totaled $172.1 million. For the six months ended March 31, 2021, we invested $227.2 million in nine new and 34 existing portfolio companies with a weighted average yield on debt investments of 7.4%. Sales and repayments of investments for the totaled $281.7 million.

PennantPark Senior Secured Loan Fund I LLC

As of March 31, 2022, PSSL's portfolio totaled $705.0 million and consisted of 87 companies with an average investment size of $8.1 million and had a weighted average yield on debt investments of 7.4%. As of September 30, 2021, PSSL's portfolio totaled $564.8 million and consisted of 74 companies with an average investment size of $7.6 million and had a weighted average yield on debt investments of 7.1%.

For the three months ended March 31, 2022, PSSL invested $67.5 million (including $57.7 million purchased from the Company) in nine new and two existing portfolio companies with a weighted average yield on debt investments of 7.2%. Sales and repayments of investments for the three months ended March 31, 2022 totaled $5.3 million. For the six months ended March 31, 2022, PSSL invested $197.1 million (including $180.4 million purchased from the Company) in 21 new and eight existing portfolio companies with a weighted average yield on debt investments of 7.8%. Sales and repayments of investments for the six months ended March 31, 2022 totaled $55.7 million.

For the three months ended March 31, 2021, PSSL invested $128.7 million (including $125.2 million purchased from the Company) in 24 new and six existing portfolio companies with a weighted average yield on debt investments of 7.3%. Sales and repayments of investments for the three months ended March 31, 2021 totaled $29.6 million. For the six months ended March 31, 2021, PSSL invested $144.1 million (including $125.2 million purchased from the Company) in 24 new and 11 existing portfolio companies with a weighted average yield on debt investments of 7.4%. Sales and repayments of investments for the six months ended March 31, 2021 totaled $60.2 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. 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 2021 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 2021 Annual Report on Form 10-K.

Investment Valuations

We expect that there may not be readily available market values for many of our 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 the 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 our 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 our 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 the 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 2031 Asset-Backed Debt and our Credit Facility are classified as Level 3. Our 2026 Notes are classified as Level 2 as they are financial instruments with readily observable market inputs. Our 2023 Notes are classified as Level 1, as they were valued using the closing price from the primary exchange. 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 SEC recently adopted Rule 2a-5 under the 1940 Act which establishes requirements for determining fair value in good faith for purposes of the 1940 Act. We will comply with the requirements of the rule before the requirement date in 2022.

In addition to using the above inputs to value cash equivalents, investments, our 2023 Notes, our 2026 Notes, our 2031 Asset-Backed Debt and our 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.

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 Credit Facility and the 2023 Notes. We elected to use the fair value option for our Credit Facility and the 2023 Notes 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 Credit Facility and debt issuance costs on the 2023 Notes during the three and six months ended March 31, 2022 and 2021, respectively. 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 Credit Facility and the 2023 Notes are reported in our Consolidated Statements of Operations. We elected not to apply ASC 825-10 to any other financial assets or liabilities, including the 2026 Notes and the 2031 Asset-Backed Debt.

For the three and six months ended March 31, 2022, the Credit Facility and the 2023 Notes had a net change in unrealized (appreciation) depreciation of $(2.4) million and $1.2 million, respectively. For the three and six months ended March 31, 2021, the Credit Facility and the 2023 Notes had a net change in unrealized appreciation of $10.5 million and $14.5 million, respectively. As of March 31, 2022 and September 30, 2021, the net unrealized depreciation on the Credit Facility as applicable, and the 2023 Notes totaled $8.5 million and $7.2 million, respectively. We use a nationally recognized independent valuation service to measure the fair value of the Credit Facility in a manner consistent with the valuation process that our board of directors uses to value our investments. Our 2023 Notes trade on the TASE and we use the closing price on the exchange to determine the fair value.

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 the fair values of our portfolio investments, our Credit Facility, the 2023 Notes during the reporting period, 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 value 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 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 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 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 sum of (1) 98% of our net ordinary income (subject to certain deferrals and elections) for the calendar year, (2) 98.2% of our capital gain net income (i.e., the excess, if any, of our capital gains over capital losses), adjusted for certain ordinary losses, generally for the one-year period ending on October 31 of the calendar year plus (3) any net ordinary income or capital gain net income for the preceding years that was not distributed during such years on which we did not incur any corporate 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, subject to maintaining our ability to be taxed as a RIC, in order to provide us with additional liquidity.

For both the three and six months ended March 31, 2022 and 2021, we recorded a provision for taxes on net investment income of $0.1 million and $0.2 million, respectively, pertaining to federal excise tax.

PFLT Investment Holdings, LLC, a wholly-owned subsidiary of the Company (the "Taxable Subsidiary"), 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 and six months ended March 31, 2022, the Company recognized a provision for taxes of $3.8 million and $5.3 million, respectively, on unrealized appreciation on investments by the Taxable Subsidiary. For the three and six months ended March 31, 2021, the Company recognized a provision for taxes of zero on unrealized appreciation on investments by the Taxable Subsidiary. The provision for taxes on unrealized appreciation on investments is the result of netting (i) the expected tax liability on gains from sales of investments and (ii) the expected tax benefit from the use of losses in the current year. As of March 31, 2022 and September 30, 2021, $5.3 million and zero, respectively, was accrued as a deferred tax liability on the Consolidated Statements of Assets and Liabilities relating to unrealized gain on investments. During the three and six months ended March 31, 2022, the Company paid $1.2 million in taxes on realized gains on the sale of investments held by the Taxable Subsidiary, resulting in a $1.2 million prepaid tax asset as of March 31, 2022 included under prepaid expenses and other assets in the consolidated statement of assets and liabilities.

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.

We have formed and expect to continue to form certain taxable subsidiaries, including the Taxable Subsidiary, which are taxed as corporations. These taxable subsidiaries allow 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 and six months ended March 31, 2022 and 2021.

Investment Income

Investment income for the three and six months ended March 31, 2022 was $24.6 million and $51.0 million, respectively, which was attributable to $19.9 million and $42.9 million from first lien secured debt and $4.7 million and $8.1 million from other investments, respectively. This compares to investment income for the three and six months ended March 31, 2021 was $19.4 million and $40.2 million, respectively, which was attributable to $16.6 million and $35.3 million from first lien secured debt and $2.9 million and $4.9 million from other investments, respectively. The increase in investment income compared to the same periods in the prior year was primarily due to an increase the size of our portfolio.

Expenses

Expenses for the three and six months ended March 31, 2022 totaled $13.3 million and $26.9 million, respectively. Base management fee for the same periods totaled $2.9 million and $5.8 million, incentive fee totaled $2.7 million and $5.9 million, debt related interest and expenses totaled $6.7 million and $13.3 million and general and administrative expenses totaled $0.8 million and $1.6 million, respectively. Expenses for the three and six months ended March 31, 2021 totaled $9.5 million and $20.1 million, respectively. Base management fee for the same periods totaled $2.6 million and $5.3 million, incentive fee totaled $1.3 million and $3.1 million, debt related interest and expenses totaled $4.8 million and $10.1 million and general and administrative expenses totaled $0.7 million and $1.4 million, respectively. The increase in expenses for the three and six months ended March 31, 2022 compared to the same period in the prior year was primarily due to an increase in performance-based incentive fees and debt-related interest and expenses.

Net Investment Income

Net investment income totaled $11.4 million and $24.1 million, or $0.29 and $0.61 per share, for the three and six months ended March 31, 2022, respectively. Net investment income totaled $9.9 million and $20.0 million, or $0.26 and $0.52 per share, for the three and six months ended March 31, 2021, respectively.

Net Realized Gains or Losses

Sales and repayments of investments for the three and six months ended March 31, 2022 totaled $103.9 million and $342.2 million, respectively, and net realized losses totaled $15.5 million and $12.3 million, respectively. Sales and repayments of investments for the three and six months ended March 31, 2021 totaled $172.1 million and $281.7 million, respectively, and net realized gains (losses) totaled $0.5 million and ($2.3) 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, the Credit Facility and the 2023 Notes

For the three and six months ended March 31, 2022, we reported net change in unrealized appreciation on investments of $17.5 million and $14.0 million, respectively. For the three and six months ended March 31, 2021, we reported net change in unrealized appreciation on investments of $11.8 million and $34.6 million, respectively. As of March 31, 2022 and September 30, 2021, our net unrealized appreciation on investments totaled $25.4 million and $11.0 million, respectively. The net change in unrealized appreciation on our investments compared to the same period in the prior year was primarily due to changes in the market conditions of our investments and the values at which they were held.

For the three and six months ended March 31, 2022, the Credit Facility and the 2023 Notes had a net change in unrealized (appreciation) depreciation of $(2.4) million and $1.2 million, respectively. For the three and six months ended March 31, 2021, the Credit Facility and the 2023 Notes had a net change in unrealized (appreciation) of $(10.5) million and $(14.5) million, respectively. As of March 31, 2022 and September 30, 2021, the net unrealized depreciation on the Credit Facility and the 2023 Notes totaled $8.5 million and $7.2 million, respectively. The net change in net unrealized depreciation compared to the same period in the prior year was primarily due to changes in the capital markets.

Net Change in Net Assets Resulting from Operations

Net increase in net assets resulting from operations totaled $7.2 million and $21.7 million, or $0.18 and $0.55 per share, respectively, for the three and six months ended March 31, 2022. Net increase in net assets resulting from operations totaled $11.7 million and $37.8 million, or $0.30 and $0.98 per share, respectively, for the three and six months ended March 31, 2021. The decrease in the net change in net assets from operations for the three and six months ended March 31, 2022 compared to the same period in the prior year was primarily due to a lower realized and unrealized change in our investment and debt.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources are derived primarily from proceeds of securities offerings, debt capital and cash flows from operations, including investment sales and repayments, and income earned. Our primary use of funds from operations includes investments in portfolio companies and payments of 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. As of March 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. This "Liquidity and Capital Resources" section should be read in conjunction with the "COVID-19 Developments" section above.

On April 5, 2018, our board of directors 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 SBCAA). 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), effective as of April 5, 2019, subject to compliance with certain disclosure requirements. As of March 31, 2022 and September 30, 2021, our asset coverage ratio, as computed in accordance with the 1940 Act, was 168% and 175%, respectively.

The annualized weighted average cost of debt for the six months ended March 31, 2022 and 2021, inclusive of the fee on the undrawn commitment on the Credit Facility, amendment costs and debt issuance costs, was 3.2% and 3.4%, respectively. As of March 31, 2022 and September 30, 2021, we had $50.3 million and $80.6 million of unused borrowing capacity under the Credit Facility, as applicable, respectively, subject to leverage and borrowing base restrictions.

Funding I's multi-currency Credit Facility with the Lenders was $300 million as of March 31, 2022 subject to satisfaction of certain conditions and regulatory restrictions that the 1940 Act imposes on us as a BDC, has an interest rate spread above LIBOR (or an alternative risk-free floating interest rate index) of 225 basis points, a maturity date of August 2026 and a revolving period that ends in August 2024. As of March 31, 2022 and September 30, 2021, Funding I borrowed $249.7 million and $219.4 million under the Credit Facility, respectively. The Credit Facility had a weighted average interest rate of 2.5% and 2.3%, exclusive of the fee on undrawn commitments as of March 31, 2022 and September 30, 2021, respectively.

During the revolving period, the Credit Facility bears interest at LIBOR (or an alternative risk-free floating interest rate index) plus 225 basis points and, after the revolving period, the rate will reset to Base Rate (or an alternative risk-free floating interest rate index) plus 250 basis points for the remaining two years, maturing in August 2026. The Credit Facility is secured by all of the assets of Funding I. Both PennantPark Floating Rate Capital Ltd. and Funding I have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

The Credit Facility contains covenants, including but not limited to, restrictions of loan size, currency types and amounts, industry requirements, average life of loans, geographic and individual portfolio concentrations, minimum portfolio yield and loan payment frequency. Additionally, the Credit Facility requires the maintenance of a minimum equity investment in Funding I and income ratio as well as restrictions on certain payments and issuance of debt. The Credit Facility compliance reporting is prepared on a basis of accounting other than GAAP. As of March 31, 2022, we were in compliance with the covenants relating to our Credit Facility.

We own 100% of the equity interest in Funding I and treat the indebtedness of Funding I as our leverage. Our Investment Adviser serves as collateral manager to Funding I under the Credit Facility.

Our interest in Funding I (other than the management fee) is subordinate in priority of payment to every other obligation of Funding I and is subject to certain payment restrictions set forth in the Credit Facility. We may receive cash distributions on our equity interests in Funding I only after it has made all required payments of (1) cash interest and, if applicable, principal payments to the Lenders, (2) required administrative expenses and (3) claims of other unsecured creditors of Funding I. We cannot assure you that there will be sufficient funds available to make any distributions to us or that such distributions will meet our expectations from Funding I. The Investment Adviser has irrevocably directed that the management fee owed with respect to such services is to be paid to the Company so long as the Investment Adviser remains the collateral manager.

In November 2017, we issued $138.6 million of our 2023 Notes. The 2023 Notes were issued pursuant to a deed of trust between the Company and Mishmeret Trust Company, Ltd., as trustee, of which $97.0 million and $117.8 million was outstanding as of March 31, 2022 and September 30, 2021, respectively.

The 2023 Notes pay interest at a rate of 4.3% per year. As a result of the downgrade of the 2023 Notes from "ilA+" to "ilA-" in March 2020, the interest rate of the 2023 Notes was increased to 4.3% from 3.8%. Interest on the 2023 Notes is payable semi-annually in arrears on June 15 and December 15 of each year, commencing June 15, 2018. The principal on the 2023 Notes will be payable in four annual installments as follows: 15% of the original principal amount on December 15, 2020, 15% of the original principal amount on December 15, 2021, 15% of the original principal amount on December 15, 2022 and 55% of the original principal amount on December 15, 2023.

The 2023 Notes are general, unsecured obligations, rank equal in right of payment with all of our existing and future senior unsecured indebtedness and are generally redeemable at our option. The deed of trust governing the 2023 Notes includes certain customary covenants, including minimum equity requirements, and events of default. Please refer to the deed of trust filed as Exhibit (d)(8) to our post-effective amendment filed on December 13, 2017 for more information. The 2023 Notes are rated ilA- by S&P Global Ratings Maalot Ltd. and are listed on the TASE. In connection with this offering, we have dual listed our common stock on the TASE.

The 2023 Notes have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration under the Securities Act or in transactions exempt from, or not subject to, such registration requirements.

In March 2021 and in October 2021, we issued $100.0 million and $85.0 million, respectively, in aggregate principal amount of $185 million of our 2026 Notes at a public offering price per note of 99.4% and 101.5%, respectively. Interest on the 2026 Notes is paid semi-annually on April 1 and October 1 of each year, at a rate of 4.25% per year, commencing October 1, 2021. The 2026 Notes mature on April 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 our 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.

In September 2019, the Securitization Issuers completed the Debt Securitization. The 2031 Asset-Backed Debt is secured by the middle market loans, participation interests in middle market loans and other assets of the Securitization Issuer. The Debt Securitization was executed through (A) a private placement of: (i) $78.5 million Class A-1 Senior Secured Floating Rate Notes maturing 2031, which bear interest at the three-month LIBOR plus 1.8%, (ii) $15.0 million Class A-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 3.7%, (iii) $14.0 million Class B-1 Senior Secured Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 2.9%, (iv) $16.0 million Class B-2 Senior Secured Fixed Rate Notes due 2031, which bear interest at 4.3%, (v) $19.0 million Class C-1 Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.0%, (vi) $8.0 million Class C-2 Secured Deferrable Fixed Rate Notes due 2031, which bear interest at 5.4%, and (vii) $18.0 million Class D Secured Deferrable Floating Rate Notes due 2031, which bear interest at the three-month LIBOR plus 4.8% and (B) the borrowing of $77.5 million Class A-1 Senior Secured Floating Rate Loans due 2031, which bear interest at the three-month LIBOR plus 1.8%, under a credit agreement by and among the Securitization Issuers, as borrowers, various financial institutions, as lenders, and U.S. Bank National Association, as collateral agent and as loan agent. The 2031 Asset-Backed Debt is scheduled to mature on October 15, 2031. As of both March 31, 2022 and September 30, 2021, the Company had $228.0 million of 2031 Asset-Backed Debt outstanding with a weighted average interest rate of 2.7%.

On the closing date of the Debt Securitization, in consideration of our transfer to the Securitization Issuer of the initial closing date loan portfolio, which included loans distributed to us by our wholly-owned subsidiary, the Securitization Issuer transferred to us 100% of the Preferred Shares of the Securitization Issuer, 100% of the Class D Secured Deferrable Floating Rate Notes issued by the Securitization Issuer, and a portion of the net cash proceeds received from the sale of the 2031 Asset-Backed Debt. The Preferred Shares of the Securitization Issuer do not bear interest and had a stated value of $55.4 million at the closing of the Debt Securitization.

The 2031 Asset-Backed Debt constitutes secured obligations of the Securitization Issuers, and the indenture governing the 2031 Asset-Backed Debt includes customary covenants and events of default. The 2031 Asset-Backed Debt has not been, and will not be, registered under the Securities Act or any state securities or "blue sky" laws and may not be offered or sold in the United States absent registration with the SEC or an applicable exemption from registration.

Our Investment Adviser serves as collateral manager to the Securitization Issuer pursuant to a collateral management agreement between our Investment Adviser and the Securitization Issuer, or the Collateral Management Agreement. For so long as our Investment Adviser serves as collateral manager, it will elect to irrevocably waive any collateral management fee to which it may be entitled under the Collateral Management Agreement.

On August 20, 2021, we entered into Equity Distribution Agreements with each of JMP Securities LLC and Raymond James & Associates, Inc., as the Sales Agents, in connection with the sale of shares of our Common Stock, par value $0.001 per share , with an aggregate offering price of up to $75 million under the ATM Program. The Equity Distribution Agreements provide that we may offer and sell shares of our Common Stock from time to time through a Sales Agent in amounts and at times to be determined by us. Actual sales will depend on a variety of factors to be determined by us from time to time, including, market conditions and the trading price of our Common Stock.

During the six months ended March 31, 2022, we issued 2,328,838 shares of our Common Stock under the ATM Program at a weighted-average price of $13.10 per share, raising $30.5 million of gross proceeds. Net proceeds were $30.1 million after commissions to the Sales Agents on shares sold. As of March 31, 2022, we had $43.1 million available under the ATM Program.

Since inception of the ATM Program through March 31, 2022, we have issued 2,437,492 shares of our Common Stock at a weighted-average price of $13.09, raising $31.9 million of gross proceeds. Net proceeds were $31.4 million after commissions to the Sales Agents on shares sold. We incurred $0.5 million of legal and other offering costs associated with establishing the ATM Program.

We may raise equity or debt capital through both registered offerings off our shelf registration statement and private offerings of securities, securitizing a portion of our investments among other considerations or mergers and acquisitions. Furthermore, the Credit Facility availability depends on various covenants and restrictions as discussed in the preceding paragraphs. 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 purposes.

As of March 31, 2022 and September 30, 2021, we had cash equivalents of $50.1 million and $49.8 million, respectively, available for investing and general corporate purposes. We believe our liquidity and capital resources are sufficient to take advantage of market opportunities.

Our operating activities used cash of $102.0 million for the six months ended March 31, 2022, and our financing activities provided cash of $101.6 million for the same period. Our operating activities used cash primarily for our investment activities and our financing activities provided cash primarily due to the issuance of $85 million of our 2026 Add-on Notes borrowings under our Credit Facility and proceeds from the ATM.

Our operating activities provided cash of $117.8 million for the six months ended March 31, 2021, and our financing activities used cash of $107.7 million for the same period. Our operating activities provided cash primarily from our investment activities and our financing activities used cash primarily to pay down our Credit Facility, partially offset by the 2026 Notes issuance.

PennantPark Senior Secured Loan Fund I LLC

In May 2017, we and Kemper formed PSSL, an unconsolidated joint venture. PSSL invests primarily in middle-market and other corporate debt securities consistent with our strategy. PSSL was formed as a Delaware limited liability company. As of March 31, 2022 and September 30, 2021, PSSL had total assets of $729.0 million and $603.6 million, respectively. As of the same dates, we and Kemper had remaining commitments to fund first lien secured debt and equity interests in PSSL in an aggregate amount of $56.9 and $8.1million, respectively. As of March 31, 2022, at fair value, the largest investment in a single portfolio company in PSSL was $19.2 million and the five largest investments totaled $86.2 million. As of September 30, 2021, at fair value, the largest investment in a single portfolio company in PSSL was $18.9 million and the five largest investments totaled $83.9 million. PSSL invests in portfolio companies in the same industries in which we may directly invest.

We provide capital to PSSL in the form of first lien secured debt and equity interests. As of March 31, 2022 and September 30, 2021, we and Kemper owned 87.5% and 12.5%, respectively, of each of the outstanding first lien secured debt and equity interests. As of the same dates, our investment in PSSL consisted of first lien secured debt of $170.3 million (additional $39.8 million unfunded) and $140.9 million (additional $29.4 million unfunded), respectively, and equity interests of $73.0 million (additional $17.1 million unfunded) and $60.4 million (additional $12.6 million unfunded), respectively.

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

Additionally, PSSL has entered into a $225.0 million (increased from $155.0 million in October 2021) senior secured revolving credit facility which bears interest at LIBOR (or an alternative risk-free floating interest rate index) plus 250 basis points, or the PSSL Credit Facility 2, with Ally Bank through its wholly-owned subsidiary, PennantPark Senior Secured Loan Facility LLC II, or PSSL Subsidiary II, subject to leverage and borrowing base restrictions.

In January 2021, PSSL completed a $300.7 million debt securitization in the form of a collateralized loan obligation, or the "2032 Asset-Backed Debt". The 2032 Asset-Backed Debt is secured by a diversified portfolio of PennantPark CLO II, Ltd., a wholly-owned and consolidated subsidiary of PSSL, consisting primarily of middle market loans and participation interests in middle market loans. The 2032 Asset-Backed Debt is scheduled to mature in January 2032. On the closing date of the transaction, in consideration of PSSL's transfer to PennantPark CLO II, Ltd. of the initial closing date loan portfolio, which included loans distributed to PSSL by certain of its wholly owned subsidiaries and us, PennantPark CLO II, Ltd. transferred to PSSL 100% of the Preferred Shares of PennantPark CLO II, Ltd. and 100% of the Class E Notes issued by PennantPark CLO II, Ltd.

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

($ in thousands)	March 31, 2022	September 30, 2021
Total investments	$ 704,958	$ 564,783
Weighted average cost yield on income producing investments	7.3 %	7.1 %
Number of portfolio companies in PSSL	87	74
Largest portfolio company investment	$ 19,157	$ 18,933
Total of five largest portfolio company investments	$ 86,192	$ 84,287

Below is a listing of PSSL's individual investments as of March 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 - 1,107.9%							
Ad.net Acquisition, LLC	5/6/2026	Media	7.00 %	3M L+600	8,933	$ 8,820	$ 8,933
Altamira Technologies, LLC	7/24/2025	Business Services	9.00 %	3M L+800	5,375	5,244	5,160
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	4,913	4,867	4,913
Apex Service Partners, LLC	7/31/2025	Diversified Consumer Services	6.25 %	3M L+525	1,015	1,015	1,015
Apex Service Partners, LLC Term Loan B	7/31/2025	Diversified Consumer Services	6.50 %	1M L+550	2,212	2,212	2,212
Apex Service Partners, LLC Term Loan C	7/31/2025	Diversified Consumer Services	1.12 %	3M L+525	4,153	4,082	4,153
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.76 %	3M L+575	4,489	4,405	4,433
Blackhawk Industrial Distribution, Inc.	9/17/2024	Distribution	6.00 %	SOFR + 5.00%	13,137	12,944	12,940
Broder Bros., Co.	12/2/2022	Consumer Products	8.00 %	3M L+700	2,585	2,585	2,585
By Light Professional IT Services, LLC	5/16/2024	High Tech Industries	7.25 %	1M L+625	15,236	15,169	15,083
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	9.50 %	3M L+850	12,379	12,339	12,280
CF512, Inc.	8/20/2026	Media	7.00 %	3M L+600	4,975	4,882	4,925
CHA Holdings, Inc.	4/10/2025	Construction and Engineering	5.51 %	3M L+450	5,586	5,503	5,586
Challenger Performance Optimization, Inc.	8/31/2023	Business Services	8.00 %	3M L+675	9,353	9,318	9,073
Connatix Buyer, Inc.	7/13/2027	Media	6.25 %	1M L+550	3,980	3,908	4,000
Crane 1 Services, Inc.	8/16/2027	Commercial Services & Supplies	6.75 %	3M L+575	2,121	2,092	2,100
Crash Champions, LLC	8/5/2025	Automobiles	6.00 %	3M L+500	14,918	14,644	14,545
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	8,701	8,674	8,701
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	7,285	7,262	7,285
Dr. Squatch, LLC	8/27/2026	Personal Products	7.00 %	1M L+600	14,950	14,671	14,950
DRS Holdings III, Inc.	11/3/2025	Consumer Goods: Durable	6.75 %	3M L+575	15,596	15,511	15,519
Duraco Specialty Tapes LLC	6/30/2024	Containers and Packaging	6.50 %	1M L+550	10,342	10,182	10,166
ECL Entertainment, LLC	3/31/2028	Hotels, Restaurants and Leisure	8.25 %	3M L+750	2,634	2,609	2,645
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	5.75 %	3M L+475	4,994	4,994	4,894
Exigo Intermediate II, LLC	3/15/2027	Software	6.75 %	3M L+575	13,000	12,809	12,805
Fairbanks More Defense	6/17/2028	Aerospace and Defense	5.50 %	3M L+475	9,950	9,908	9,805
FlexPrint, LLC	1/2/2024	Commercial Services & Supplies	6.14 %	1M L+594	4,770	4,740	4,770
Gantech Acquisition Corp.	5/14/2026	IT Services	5.87 %	3M L+625	14,788	14,556	14,640
Global Holdings InterCo LLC	3/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,948	3,929	3,908
Graffiti Buyer, Inc.	8/10/2027	Trading Companies & Distributors	6.75 %	3M L+575	2,381	2,327	2,315
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.00 %	3M L+500	2,469	2,418	2,469
Holdco Sands Intermediate, LLC	11/23/2028	Aerospace and Defense	7.01 %	1M L+600	4,988	4,893	4,888
HW Holdco, LLC	12/10/2024	Media	6.00 %	3M L+500	3,067	3,012	3,006
IDC Infusion Services, Inc	12/30/2026	Healthcre Equipment and supplies	7.00 %	6M L+600	10,000	9,807	9,800
Imagine Acquisitionco, LLC	11/15/2027	Software	6.50 %	3M L+550	5,391	5,283	5,283
Inception Fertility Ventures, LLC	12/7/2023	Healthcare Providers and Services	6.50 %	1M L+550	4,683	4,582	4,566
Integrative Nutrition, LLC	9/29/2023	Diversified Consumer Services	5.50 %	3M L+450	11,492	11,463	11,492
ITI Holdings, Inc	3/3/2028	IT Services	6.25 %	SOFR + 5.50%	4,000	3,931	3,930
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	9.00 %	1M L+800	19,350	19,146	19,157
Kinetic Purchaser, LLC	11/10/2027	Personal Products	7.00 %	3M L+600	8,445	8,286	8,360
Lash OpCo, LLC	2/18/2027	Personal Products	8.00 %	1M L+700	14,428	14,119	14,428
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.51 %	3M L+600	10,547	10,501	10,305
Lightspeed Buyer Inc.	2/3/2026	Healthcare Providers and Services	6.75 %	3M L+575	10,657	10,449	10,550
Lucky Bucks, LLC	7/20/2027	Hotel, Gaming and Leisure	6.25 %	3M L+550	4,444	4,362	4,344
Marketplace Events, LLC - Super Priority First Lien Term Loan	9/30/2025	Media: Diversified and Production	6.25 %	3M L+525	637	637	637
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan	9/30/2025	Media: Diversified and Production		—	589	-	-
Marketplace Events, LLC [3], [4]	9/30/2026	Media: Diversified and Production	0.00 %	—	4,764	3,441	4,764
Mars Acquisition Holdings Corp.	5/14/2026	Media	6.50 %	1M L+550	9,950	9,819	9,875
MBS Holdings, Inc.	4/16/2027	Internet Software and Services	5.18 %	1M L+550	7,444	7,325	7,369
Meadowlark Acquirer, LLC	12/10/2027	Professional Services	6.50 %	1M L+550	2,408	2,361	2,360
MeritDirect, LLC	5/23/2024	Media: Advertising, Printing & Publishing	6.50 %	3M L+550	5,426	5,327	5,426
Mission Critical Electronics, Inc.	9/28/2022	Capital Equipment	6.00 %	3M L+500	5,859	5,854	5,859
Municipal Emergency Services, Inc.	9/28/2027	Distributors	6.00 %	3M L+500	3,483	3,418	3,368
NBH Group LLC	8/19/2026	Healthcare, Education & Childcare	6.50 %	3M L+550	10,875	10,677	10,820
New Milani Group LLC	6/6/2024	Consumer Goods: Non-Durable	7.50 %	3M L+650	14,513	14,456	14,367
OIS Management Services, LLC	7/9/2026	Healthcare Equipment and Supplies	5.75 %	1M L+475	1,985	1,959	1,965
One Stop Mailing, LLC	5/7/2027	Air Freight and Logistics	7.25 %	3M L+625	14,845	14,576	14,696
Output Services Group, Inc.	3/27/2024	Business Services	5.50 %	3M L+450	7,683	7,760	6,761
Owl Acquisition, LLC	2/4/2028	Professional Services	6.75 %	3M L+575	4,000	3,922	3,900
Ox Two, LLC	5/18/2026	Construction and Building	8.00 %	3M L+700	4,950	4,884	4,851
PH Beauty Holdings III, Inc.	9/29/2025	Wholesale	5.51 %	3M L+500	9,643	9,348	8,871
PL Acquisitionco, LLC	11/9/2027	Textiles, Apparel and Luxury Goods	7.50 %	3M L+650	8,279	8,144	8,134
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	1M L+575	1,570	1,565	1,570
PlayPower, Inc.	5/8/2026	Consumer Goods: Durable	5.72 %	3M L+550	2,594	2,508	2,447
Quantic Electronics, LLC	11/19/2026	Aerospace and Defense	7.25 %	3M L+625	3,942	3,863	3,863
Recteq, LLC	1/29/2026	Leisure Products	7.00 %	3M L+600	4,950	4,871	4,876
Research Now Group, LLC and Dynata, LLC	12/20/2024	Diversified Consumer Services	6.50 %	1M L+550	10,624	10,549	10,414
Sales Benchmark Index LLC	1/3/2025	Professional Services	7.75 %	3M L+600	5,311	5,243	5,311
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	7.00 %	3M L+550	5,448	5,401	5,448
Schlesinger Global, Inc.	7/14/2025	Business Services	8.00 %	3M L+600	11,809	11,896	11,691
Sigma Defense Systems, LLC	12/18/2025	Aerospace and Defense	9.50 %	3M L+850	14,905	14,561	14,682

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [1]	Par / Shares	Cost	Fair Value [2]
Smile Brands Inc.	10/14/2025	Healthcare and Pharmaceuticals	5.25 %	3M L+475	12,507	$ 12,370	$ 12,163
Snak Club, LLC	7/19/2022	Beverage, Food and Tobacco	7.00 %	1M L+600	4,301	4,291	4,301
Solutionreach, Inc.	1/17/2024	Healthcare and Pharmaceuticals	6.75 %	1M L+575	5,859	5,829	5,601
SpendmendHoldings, LLC	3/1/2028	Healthcare Technology	6.75 %	3M L+575	2,971	2,928	2,923
STV Group Incorporated	12/11/2026	Construction and Building	5.61 %	1M L+525	9,075	9,006	8,803
System Planning and Analysis, Inc. (f/k/a Management Consulting & Research, LLC)	8/16/2027	Aerospace and Defense	7.00 %	3M L+600	14,963	14,675	14,469
TAC LifePort Purchaser, LLC	3/1/2026	Aerospace and Defense	7.00 %	3M L+600	4,630	4,555	4,630
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	5.50 %	1M L+450	10,279	10,258	10,177
Teneo Holdings LLC	7/18/2025	Business Services	6.25 %	1M L+525	2,298	2,295	2,270
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	7.00 %	3M L+600	5,688	5,616	5,631
The Bluebird Group LLC	7/27/2026	Professional Services	7.50 %	3M L+650	1,724	1,693	1,758
The Infosoft Group, LLC	9/16/2024	Media: Broadcasting and Subscription	6.75 %	3M L+575	13,208	13,202	13,208
The Vertex Companies, LLC	8/30/2027	Construction and Engineering	6.50 %	1M L+550	5,606	5,500	5,533
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	6.25 %	3M L+525	8,789	8,629	8,525
TVC Enterprises, LLC	3/26/2026	Diversified Consumer Services	7.00 %	1M L+600	15,028	14,924	14,727
TWS Acquisition Corporation	6/16/2025	Diversified Consumer Services	7.25 %	3M L+625	6,291	6,262	6,291
Tyto Athene, LLC (New Issue)	4/1/2028	IT Services	6.25 %	3M L+550	15,628	15,489	15,238
UBEO, LLC	4/3/2024	Capital Equipment	5.50 %	3M L+450	17,481	17,375	17,131
Walker Edison Furniture Company LLC	3/31/2027	Wholesale	9.75 %	3M L+575	12,555	12,284	12,367
Wildcat Buyerco, Inc.	2/27/2026	Electronic Equipment, Instruments, and Components	6.75 %	3M L+575	5,678	5,632	5,678
Zips Car Wash, LLC	3/1/2024	Automobiles	7.75 %	3M L+725	17,000	16,707	16,830
Total First Lien Secured Debt						702,338	701,494
Second Lien Secured Debt - 4.6%							
Inventus Power, Inc.	09/29/2024	Consumer Goods: Durable	P(IK 9.00%) 9.50 %	3M L+850	3,000	2,955	2,925
Total Second Lien Secured Debt						2,955	2,925
Equity Securities - 2.6%							
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	—	—	539
Total Equity Securities						-	539
Total Investments - 1,113.3%						705,293	704,958
Cash and Cash Equivalents - 32.2%							
BlackRock Federal FD Institutional 30						20,373	20,383
Total Cash and Cash Equivalents						20,373	20,383
Total Investments and Cash Equivalents —1,145.5%						$ 725,666	$ 725,341
Liabilities in Excess of Other Assets — (1,045.5)%							(662,021)
Members' Equity—100.0%							$ 63,320

(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 PSSL's accounting policy.

(3) Non-U.S. company or principal place of business outside the United States.

(4) Non-income producing security.

(5) 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 PSSL's individual investments as of September 30, 2021 ($ in thousands):

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [(1)]	Par	Cost	Fair Value [(2)]
First Lien Secured Debt - 1,088.%							
Ad.net Acquisition, LLC	05/06/2026	Media	7.00 %	3M L+600	8,978	$ 8,852	$ 8,843
Altamira Technologies, LLC	07/24/2025	Business Services	8.00 %	3M L+700	5,525	5,376	5,180
American Insulated Glass, LLC	12/21/2023	Building Products	6.50 %	3M L+550	5,721	5,653	5,663
Apex Service Partners, LLC	07/31/2025	Diversified Consumer Services	6.25 %	3M L+525	1,021	1,021	1,010
Apex Service Partners, LLC Term Loan B	07/31/2025	Diversified Consumer Services	6.50 %	1M L+550	2,222	2,222	2,200
Apex Service Partners, LLC Term Loan C	07/31/2025	Diversified Consumer Services	6.25 %	3M L+525	4,174	4,103	4,132
Applied Technical Services, LLC	12/29/2026	Commercial Services & Supplies	6.75 %	3M L+575	4,511	4,419	4,421
By Light Professional IT Services, LLC	05/16/2022	High Tech Industries	7.25 %	1M L+625	12,880	12,869	12,880
Cadence Aerospace, LLC	11/14/2023	Aerospace and Defense	9.50 %	3M L+850	12,282	12,231	11,981
			P(IK 9.50%)				
Cano Health	11/23/2027	Healthcare, Education & Childcare	5.25 %	3M L+450	2,653	2,647	2,654
CHA Holdings, Inc.	04/10/2025	Construction and Engineering	5.50 %	3M L+450	5,615	5,519	5,530
Challenger Performance Optimization, Inc.	08/31/2023	Business Services	8.00 %	1M L+675	9,501	9,454	9,216
			P(IK 1.00%)				
Connatix Buyer, Inc	07/13/2027	Media	6.25 %	1M L+550	4,000	3,922	3,920
CoolSys, Inc	08/04/2028	Business Services	5.50 %	1M L+475	1,909	1,890	1,914
Crane 1 Services Inc	08/16/2027	Commercial Services & Supplies	6.75 %	1M L+575	2,132	2,100	2,110
Crash Champions, LLC	08/05/2025	Automobiles	6.00 %	3M L+500	8,978	8,802	8,798
Digital Room Holdings, Inc.	05/22/2026	Commercial Services & Supplies	5.08 %	1M L+500	3,228	3,111	3,186
Douglas Products and Packaging Company LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	8,746	8,695	8,746
Douglas Sewer Intermediate, LLC	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	7,323	7,278	7,323
Dr. Squatch, LLC	8/27/2026	Personal Products	7.00 %	3M L+600	10,000	9,803	9,800
DRS Holdings III, Inc.	11/03/2025	Consumer Goods: Durable	7.25 %	1M L+625	15,676	15,584	15,566
East Valley Tourist Development Authority	03/07/2022	Hotels, Restaurants and Leisure	9.00 %	3M L+800	5,719	5,624	5,633
			P(IK 3.50%)				
ECL Entertainment, LLC	03/312028	Hotels, Restaurants and Leisure	8.25 %	1M L+750	2,647	2,621	2,707
ECM Industries, LLC	12/23/2025	Electronic Equipment, Instruments, and Components	5.50 %	1M L+450	4,994	4,994	4,894
Fairbanks More Defense	06/17/2028	Aerospace and Defense	5.50 %	3M L+475	10,000	9,955	10,000
FlexPrint, LLC	01/02/2024	Commercial Services & Supplies	6.02 %	1M L+590	4,770	4,732	4,746
Gantech Acquisition Corp.	05/14/2026	IT Services	7.25 %	3M L+625	14,925	14,648	14,627
Global Holdings InterCo LLC	03/16/2026	Diversified Financial Services	7.00 %	3M L+600	3,968	3,948	3,948
Graffiti Buyer, Inc	08/10/2027	Trding Companies & Distributors	6.75 %	3M L+575	2,393	2,346	2,357
Hancock Roofing and Construction L.L.C.	12/31/2026	Insurance	6.00 %	3M L+500	2,481	2,425	2,456
Holdco Sands Intermediate, LLC	12/19/2025	Aerospace and Defense	7.50 %	3M L+600	6,474	6,407	6,441
IMIA Holdings, Inc.	04/09/2027	Aerospace and Defense	6.75 %	3M L+575	13,589	13,338	13,317
Integrative Nutrition, LLC	09/29/2023	Diversified Consumer Services	5.50 %	3M L+450	11,567	11,528	11,567
K2 Pure Solutions NoCal, L.P.	12/20/2023	Chemicals, Plastics and Rubber	8.00 %	1M L+700	19,450	19,193	18,933
LAV Gear Holdings, Inc.	10/31/2024	Capital Equipment	8.50 %	3M L+750	10,491	10,435	9,833
			P(IK 1.00%)				
Lightspeed Buyer Inc.	02/3/2026	Healthcare Providers and Services	6.75 %	1M L+575	5,707	5,606	5,707
Lucky Bucks, LLC	07/20/2027	Hotel, Gaming and Leisure	6.25 %	1M L+550	4,500	4,411	4,424
Marketplace Events, LLC [(3)(4)]	09/30/2025	Media: Diversified and Production	6.25 %	3M L+525	617	617	617
Super Priority First Lien Term Loan			P(IK 6.25%)				
Marketplace Events, LLC - Super Priority First Lien Unfunded Term Loan [(3)(4)]	09/30/2025	Media: Diversified and Production	—	—	589	—	—
Marketplace Events LLC [(4)]	09/30/2026	Media: Diversified and Production	0.00 %	—	4,615	3,441	4,615
Mars Acquisition Holdings Corp.	05/14/2026	Media	6.50 %	1M L+550	10,000	9,813	9,900
MBS Holdings, Inc.	04/16/2027	Internet Software and Services	6.75 %	3M L+575	7,481	7,338	7,332
MeritDirect, LLC	05/23/2024	Media: Advertising, Printing & Publishing	6.50 %	3M L+550	5,532	5,412	5,477
Mission Critical Electronics, Inc.	09/28/2022	Capital Equipment	6.00 %	3M L+500	5,890	5,877	5,890
NBH Group LLC	08/19/2026	Healthcare, Education & Culture	6.50 %	3M L+550	10,902	10,687	10,684
New Milani Group LLC	06/06/2024	Consumer Goods: Non-Durable	6.50 %	1M L+550	14,550	14,481	13,895
OIS Management Services LLC	07/09/2026	Healthcare Equipment and Supplies	5.75 %	1M L+475	1,995	1,966	1,965
One Stop Mailing, LLC	05/07/2027	Air Freight and Logistics	7.25 %	1M L+625	14,920	14,631	14,659
Output Services Group, Inc.	03/27/2024	Business Services	5.50 %	1M L+450	7,743	7,733	7,047
Ox Two, LLC	05/18/2026	Construction and Building	7.00 %	3M L+600	4,975	4,901	4,876
PH Beauty Holdings III, Inc.	09/29/2025	Wholesale	5.12 %	1M L+500	9,693	9,514	9,467
Plant Health Intermediate, Inc.	10/19/2022	Chemicals, Plastics and Rubber	6.75 %	3M L+575	1,578	1,568	1,578
PlayPower, Inc.	05/8/2026	Consumer Goods: Durable	5.63 %	3M L+550	3,805	3,720	3,736
Recteq, LLC	01/29/2026	Leisure Products	7.00 %	3M L+600	4,975	4,888	4,925
Research Now Group, Inc. and Survey Sampling International LLC	12/20/2024	Diversified Consumer Services	6.50 %	3M L+550	10,680	10,592	10,544
Sales Benchmark Index LLC	01/03/2025	Professional Services	7.75 %	3M L+600	5,578	5,496	5,439
Sargent & Greenleaf Inc.	12/20/2024	Wholesale	7.00 %	1M L+550	5,550	5,493	5,550
Schlesinger Global, Inc.	07/14/2025	Business Services	8.00 %	3M L+700	11,785	11,760	11,254
Smile Brands Inc.	10/14/2024	Healthcare and Pharmaceuticals	5.32 %	3M L+450	12,576	12,459	12,451
Snak Club, LLC	07/19/2022	Beverage, Food and Tobacco	7.00 %	1M L+600	4,388	4,362	4,388
Solutionreach, Inc.	01/17/2024	Healthcare and Pharmaceuticals	6.75 %	1M L+575	5,892	5,854	5,892

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index [(1)]	Par / Shares	Cost	Fair Value [(2)]
Spectacle Gary Holdings, LLC	12/23/2025	Hotels, Restaurants and Leisure	11.00 %	1M L+900	4,389	4,506	4,765
STV Group Incorporated	12/11/2026	Construction and Building	5.33 %	1M L+525	9,075	9,004	9,030
TAC LifePort Purchaser, LLC	03/01/2026	Aerospace and Defense	7.00 %	3M L+600	4,950	4,860	4,948
TeleGuam Holdings, LLC	11/20/2025	Telecommunications	5.50 %	1M L+450	10,337	10,313	10,234
Teneo Holdings LLC	07/18/2025	Business Services	6.25 %	1M L+525	2,309	2,306	2,297
The Aegis Technologies Group, LLC	10/31/2025	Aerospace and Defense	6.77 %	3M L+550	5,713	5,634	5,656
The Bluebird Group LLC	07/27/2026	Professional Services	8.00 %	3M L+700	1,744	1,710	1,733
The Infosoft Group, LLC	09/16/2024	Media: Broadcasting and Subscription	6.75 %	6M L+575	13,383	13,376	13,383
The Vertex Companies, LLC	08/30/2027	Construction and Engineering	6.50 %	6M L+550	5,634	5,523	5,529
TPC Canada Parent, Inc. and TPC US Parent, LLC	11/24/2025	Consumer Goods: Non-Durable	6.25 %	3M L+525	8,834	8,655	8,569
TVC Enterprises, LLC	03/26/2026	Diversified Consumer Services	6.75 %	1M L+575	8,558	8,593	8,558
TWS Acquisition Corporation	06/16/2025	Diversified Consumer Services	7.25 %	1M L+625	6,636	6,599	6,636
Tyto Athene, LLC	08/27/2024	IT Services	6.25 %	1M L+550	11,443	11,334	11,443
UBEO, LLC	04/03/2024	Capital Equipment	5.50 %	1M L+450	17,571	17,457	17,483
Urology Management Associates, LLC	08/30/2024	Healthcare and Pharmaceuticals	5.50 %	1M L+450	11,030	10,849	10,975
Walker Edison Furniture Company LLC	03/31/2027	Wholesale	6.75 %	1M L+575	12,438	12,142	11,971
Wildcat Buyerco, Inc.	02/27/2026	Electronic Equipment, Instruments, and Components	6.00 %	3M L+500	5,706	5,656	5,678
Total First Lien Secured Debt						558,880	557,732
Second Lien Secured Debt - 10.5%							
DBI Intermediate Holdco, LLC, Term Loan B [(4)]	02/02/2026	Business Services	11.00 % P(IK 9.00%)	—	2,434	2,434	2,434
Inventus Power, Inc.	09/29/2024	Consumer Goods: Durable	9.50 %	3M L+850	3,000	2,947	2,940
Total Second Lien Secured Debt						5,381	5,374
Equity Securities - 3.3%							
DBI Intermediate Holdco, LLC, Series A-1 [(4)]	—	Business Services	13.00 %	—	7	5,034	—
DBI Intermediate Holdco, LLC, Series AA [(4)]	—	Business Services	—	—	7	6,731	1,314.7
DBI Intermediate Holdco, LLC, Series B [(4)]	—	Business Services	—	—	1,065	237	—
New MPE Holdings, LLC	—	Media: Diversified and Production	—	—	0	—	362.2
Total Equity Securities						12,002	1,677
Total Investments - 1101.7%						576,263	564,783
Cash and Cash Equivalents - 55.3%							
BlackRock Federal FD Institutional 30						28,191	28,191
US Bank Cash						196	183
Total Cash and Cash Equivalents						28,387	28,374
Total Investments and Cash Equivalents —1,157.1%						$ 604,650	$ 593,157
Liabilities in Excess of Other Assets — (1057.1)%							(541,893)
Members' Equity—100.0%							$ 51,264

(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 PSSL's accounting policy.

(3) Non-U.S. company or principal place of business outside the United States.

(4) Non-income producing security.

Below is the financial information for PSSL:

Consolidated Statements of Assets and Liabilities
($ In thousands)

	March 31, 2022 (Unaudited)	September 30, 2021
Assets		
Investments at fair value (cost—$705,293 and $576,263, respectively)	$ 704,958	$ 564,783
Cash and cash equivalents (cost—$20,373 and $28,387, respectively)	20,383	28,374
Interest receivable	2,014	1,414
Receivable for investment sold	—	7,323
Prepaid expenses and other assets	1,675	1,666
Total assets	729,030	603,559
Liabilities		
Payable for investments purchased	38,542	31,963
Credit facility payable	184,500	112,000
2032 Asset-backed debt, net (par—$246,000)	243,061	242,757
Notes payable to members	194,600	161,000
Interest payable on Credit Facility	1,881	1,741
Interest payable on notes to members	2,889	2,656
Accrued other expenses	236	178
Total liabilities	665,710	552,295
Members' equity	63,320	51,264
Total liabilities and members' equity	$ 729,030	$ 603,559

(1) As of March 31, 2022 and September 30, 2021, PSSL had unfunded commitments to fund investments of zero million and $0.6, respectively.

Consolidated Statements of Operations
(Unaudited)
($ In thousands)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2022	**2021**	**2022**	**2021**
Investment income:				
Interest	$ 11,981	$ 8,305	$ 22,932	$ 15,053
Other income	149	96	1,020	251
Total investment income	12,130	8,401	23,951	15,304
Expenses:				
Interest and expense on credit facility and asset-backed debt	3,673	2,533	6,847	3,949
Interest expense on notes to members	3,640	2,956	7,195	6,010
Administrative services expenses	300	300	600	600
Other general and administrative expenses	289	195	578	391
Total expenses	7,902	5,984	15,219	10,950
Net investment income	4,227	2,416	8,732	4,354
Realized and unrealized (loss) gain on investments and credit facility foreign currency translation currency translations:				
Net realized loss on investments	(14,584)	(484)	(14,932)	(1,276)
Net change in unrealized (depreciation) appreciation on:				
Investments	14,760	3,480	11,556	7,664
Credit facility foreign currency translation	—	171	—	(489)
Net change in unrealized (depreciation) appreciation on investments and credit facility foreign currency translations	14,760	3,651	11,556	7,175
Net realized and unrealized (loss) gain from investments and credit facility foreign currency translations	176	3,167	(3,376)	5,900
Net increase in members' equity resulting from operations	$ 4,403	$ 5,582	$ 5,356	$ 10,254

(1) Currently, no management or incentive fees are payable by PSSL. If any fees were to be charged, they would be separately disclosed in the Statements of Operations.

Off-Balance Sheet Arrangements

We currently engage in no off-balance sheet arrangements other than our funding requirements for the unfunded investments described above.

Recent Developments

On May 2, 2022, the PSSL Credit Facility was amended to, among other things, to allow PSSL Subsidiary II to borrow up to $325.0 million (increased from $225.0 million) at any one time outstanding, subject to leverage and borrowing base restrictions.

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 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, subject to maintaining our ability to be taxed as a RIC, in order to provide us with additional liquidity.

During the three and six months ended March 31, 2022, we declared distributions of $0.285 and $0.57 per share, respectively, for total distributions of $11.3 and $22.4 million, respectively. During the three and six months ended March 31, 2021, we declared distributions of $0.285 and $0.57 per share, respectively, for total distributions of $11.1 and $22.1 million, respectively. 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 monthly distributions to our stockholders. Our monthly distributions, if any, are determined by our board of directors quarterly.

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 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 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 is evaluating the potential impact that the adoption of this guidance will have on the Company’s financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. As of March 31, 2022, our debt portfolio consisted of 100% variable-rate investments. The variable-rate loans are usually based on a LIBOR (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 regards 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 existing 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%	$ (693)	$ (0.02)
Up 1%	2,460	0.06
Up 2%	8,231	0.20
Up 3%	14,002	0.34
Up 4%	$ 19,773	$ 0.48

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 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). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures 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.

There have been no changes in our internal control over financial reporting that occurred during the quarter ended March 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 and any future 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, 2021 filed on November 17, 2021, 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 Floating Rate Capital Ltd. 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.

The ongoing invasion of Ukraine by Russia and related sanctions have increased global political and economic uncertainty, which may have a material impact on the Company's portfolio and the value of your investment in the Company.

The ongoing invasion of Ukraine by Russia and related sanctions have increased global political and economic uncertainty. In February 2022. Russia invaded Ukraine and, in response, the United States and many other countries placed economic sanction on certain Russian entities and individuals. Because Russia is a major exporter of oil and natural gas, the invasion and related sanctions have reduced the supply, and increased the price, of energy, which is accelerating inflation and may exacerbate ongoing supply chain issues. There is also the risk of retaliatory actions by Russia against countries which have enacted sanctions, including cyberattacks against financial and governmental institutions, which could result in business disruptions and further economic turbulence. Although the Company has no direct exposure to Russia or Ukraine, the broader consequences of the invasion may have a material adverse impact on the Company's portfolio and the value of your investment in the Company. Because this is an uncertain and evolving situation, its full impact is unknown at this time.

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 April 5, 2018, our board of directors approved such reduction. As of April 5, 2019, we are able to incur additional indebtedness so long as we comply with the applicable disclosure requirement, 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.

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 April 5, 2018, our board of directors, including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act), approved a reduction of our asset coverage ratio from 200% to 150%. As a result, as of April 5, 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 subsidiary, Funding I, 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, Funding I is limited by its covenants from making certain distributions to us that may be necessary to fulfill our requirements to be subject to tax as a RIC. In such case, we would need to request a waiver of these covenants' restrictions for Funding I to make certain distributions to enable us to be subject to tax as a RIC. We cannot assure you that Funding I will be granted such a waiver, and if Funding I is unable to obtain a waiver, compliance with the covenants 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 our Credit Facility, 2023 Notes, 2026 Notes and the 2031 Asset-Backed Debt and expect in the future to borrow additional amounts under our Credit Facility or other debt securities, subject to market availability, and, may increase the size of our 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 Funding I's assets in connection with our Credit Facility borrowings. In the case of a liquidation event, those lenders would receive proceeds before our stockholders. Any future debt issuance will increase our leverage and may be subordinate to our Credit Facility. In addition, borrowings or debt issuances, 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 the use of leverage 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 April 5, 2018, our board of directors, including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act), approved a reduction of our asset coverage ratio. As a result, as of April 5, 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

None.

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 Amendment and Restatement of the Registrant (Incorporated by reference to Exhibit 99(A) to the Registrant's Pre-Effective Amendment No. 3 to the Registration Statement on Form N-2 (File No. 333-170243), filed on March 29, 2011).
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. 814-00891), filed on May 11, 2020).
4.1	Form of Share Certificate (Incorporated by reference to Exhibit 99(D) to the Registrant's Pre-Effective Amendment No. 5 to the Registration Statement on Form N-2 (File No. 333-170243), filed on April 5, 2011).
14.1*	Joint Code of Ethics of the Registrant
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. 814-00891), filed on November 17, 2011).

* 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 FLOATING RATE CAPITAL LTD.

Date: May 4, 2022	By:	/s/ Arthur H. Penn
		Arthur H. Penn **Chief Executive Officer and Chairman of the Board of Directors** **(Principal Executive Officer)**
Date: May 4, 2022	By:	/s/ Richard Cheung
		Richard Cheung **Chief Financial Officer and Treasurer** **(Principal Financial and Accounting Officer)**

Exhibit 14.1

JOINT CODE OF ETHICS
FOR
PENNANTPARK INVESTMENT CORPORATION
PENNANTPARK FLOATING RATE CAPITAL LTD.
PENNANTPARK INVESTMENT ADVISERS, LLC

Section IStatement of General Fiduciary Principles

This Joint Code of Ethics (the “Code”) has been adopted by each of PennantPark Investment Corporation, PennantPark Floating Rate Capital, Ltd. (each individually, the “Corporation”), and PennantPark Investment Advisers, LLC, the Corporations’ investment adviser (the “Adviser”), in compliance with Rule 17j-1 under the Investment Company Act of 1940 (the “Act”) and Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”). The purpose of the Code is to establish standards and procedures for the detection and prevention of activities by which persons having knowledge of the investments and investment intentions of the Corporations may abuse their fiduciary duty to the Corporations, and otherwise to deal with the types of conflict of interest situations to which Rule 17j-1 under the Act (“Rule 17j-1”) is addressed. As it relates to Section 204A of the Advisers Act, the purpose of this Code is to establish procedures that, taking into consideration the nature of the Adviser’s business, are reasonably designed to prevent misuse of material non-public information in violation of the federal securities laws by persons associated with the Adviser.

The Code is based on the principle that the directors and officers of the Corporations, and the managers, partners, officers and employees of the Adviser, who provide services to the Corporations, owe a fiduciary duty to the Corporations to conduct their personal securities transactions in a manner that does not interfere with the Corporations’ transactions or otherwise take unfair advantage of their relationship with the Corporations. All directors, managers, partners, officers and employees of the Corporations, and the Adviser (“Covered Personnel”) are expected to adhere to this general principle as well as to comply with all of the specific provisions of this Code that are applicable to them. Any Covered Personnel who is affiliated with another entity that is a registered investment adviser is, in addition, expected to comply with the provisions of the code of ethics that has been adopted by such other investment adviser.

Technical compliance with the Code will not automatically insulate any Covered Personnel from scrutiny of transactions that show a pattern of compromise or abuse of the individual’s fiduciary duty to the Corporation. Accordingly, all Covered Personnel must seek to avoid any actual or potential conflicts between their personal interests and the interests of the Corporation and its shareholders. In sum, all Covered Personnel shall place the interests of the Corporation before their own personal interests.

All Covered Personnel must read and retain this Code.

Section IIDefinitions

(A) “Access Person” means any director, officer, general partner or Advisory Person (as defined below) of the Corporations or the Adviser.

(B) An “Advisory Person” of the Corporation or the Adviser means: (i) any employee of the Corporation or the Adviser, or any company in a Control (as defined below) relationship to the Corporation or the Adviser, who in connection with his or her regular functions or duties makes, participates in, or obtains information regarding the purchase or sale of any Covered Security (as defined below) by the Corporation, or whose functions relate to the making of any recommendation with respect to such purchases or sales; and (ii) any natural person in a Control relationship to the Corporation or the Adviser, who obtains information concerning recommendations made to the Corporation with regard to the purchase or sale of any Covered Security by the Corporation.

(C) “Beneficial Ownership” is interpreted in the same manner as it would be under Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the “1934 Act”) in determining whether a person is a beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder.

(D) “Chief Compliance Officer” means the Chief Compliance Officer of the Corporation (who also may serve as the compliance officer of the Adviser and/or one or more affiliates of the Adviser).

(E) “Control” shall have the same meaning as that set forth in Section 2(a)(9) of the Act.

(F) “Covered Security” means a security as defined in Section 2(a)(36) of the Act, which includes: any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. However, a “Covered Security” does not include: (i) direct obligations of the Government of the United States; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and (iii) shares issued by open-end investment companies registered under the Act. References to a Covered Security in this Code (e.g., a prohibition or requirement applicable to the purchase or sale of a Covered Security) shall be deemed to refer to and to include any warrant for, option in, or security immediately convertible into that Covered Security, and shall also include any instrument that has an investment return or value that is based, in whole or in part, on that Covered Security (collectively, “Derivatives”). Therefore, except as otherwise specifically provided by this Code: (i) any prohibition or requirement of this Code applicable to the purchase or sale of a Covered Security shall also be applicable to the purchase or sale of a Derivative relating to that Covered Security; and (ii) any prohibition or requirement of this Code applicable to the purchase or sale of a

Derivative shall also be applicable to the purchase or sale of a Covered Security relating to that Derivative.

(G) “Independent Director” means a director of the Corporation who is not an “interested person” of the Corporation within the meaning of Section 2(a)(19) of the Act.

(H) “Initial Public Offering” means an offering of securities registered under the Securities Act of 1933, as amended (the “1933 Act”), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.

(I) “Limited Offering” means an offering that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) thereof or pursuant to Rule 504, Rule 505, or Rule 506 thereunder.

(J) “Restricted List” means the “Pipeline” report of potential investments combined with the current holdings of the clients. PennantPark Access Persons are restricted from trading any security on the Restricted List.

(K) “Security Held or to be Acquired” by the Corporation means: (i) any Covered Security which, within the most recent 15 days: (A) is or has been held by the Corporation; or (B) is being or has been considered by the Corporation or the Adviser for purchase by the Corporation; and (ii) any option to purchase or sell, and any security convertible into or exchangeable for, a Covered Security described in Section II (K)(i) of this Code.

(L) “17j-1 Organization” means the Corporation or the Adviser, as the context requires.

Section IIIObjective and General Prohibitions

Covered Personnel may not engage in any investment transaction under circumstances in which the Covered Personnel benefits from or interferes with the purchase or sale of investments by the Corporation. In addition, Covered Personnel may not use information concerning the investments or investment intentions of the Corporation, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Corporation.

Covered Personnel may not engage in conduct that is deceitful, fraudulent or manipulative, or that involves false or misleading statements, in connection with the purchase or sale of investments by the Corporation. In this regard, Covered Personnel should recognize that Rule 17j-1 makes it unlawful for any affiliated person of the Corporation, or any affiliated person of an investment adviser for the Corporation, in connection with the purchase or sale, directly or indirectly, by the person of a Security Held or to be Acquired by the Corporation to:

(i) employ any device, scheme or artifice to defraud the Corporation;

(ii) make any untrue statement of a material fact to the Corporation or omit to state to the Corporation a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;

(iii) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Corporation; or

(iv) engage in any manipulative practice with respect to the Corporation.

Covered Personnel should also recognize that a violation of this Code or of Rule 17j-1 may result in the imposition of: (1) sanctions as provided by Section VIII of this Code; or (2) administrative, civil and, in certain cases, criminal fines, sanctions or penalties.

Section IVPre-Clearance of Personal Account Transactions; Window Period to Trade PennantPark shares

Except as noted below, all Access Persons must obtain the prior written approval of the Managing Member (or such person as the Managing Member may designate) ("Approving Officer") before engaging in any transaction in his or her Personal Account. The Approving Officer may approve the transaction if he concludes that the transaction would comply with the provisions of this Code and is not likely to have any adverse economic impact on clients. A request for preclearance must be made by email, with a copy to the Compliance Officer, in advance of the contemplated transaction. No particular form is required, but the email must include sufficient detail for the Approving Officer to decide if a trade is permissible and a statement that the Access Person has reviewed the Pipeline Report for any conflicts.

Any approval given under this paragraph will be provided by email and will remain in effect for 72 hours.

<u>Exceptions to the Pre-Clearance Requirement Policy,</u>

Access Persons will be allowed to trade securities of the Corporations during a "window period" that may be announced following the release of Corporations' earnings release. If the window is opened for trading, it will begin no earlier than the second business day after a Corporation publicly releases quarterly or annual financial results and extends no later than (i) 30 calendar days after the release of results (29 calendar days in all) or (ii) in the case of either Corporation's and the Adviser's decision to buy or sell the applicable Corporation's equity securities, the end of the quarterly period during which such financial results of such Corporation have been publicly released. Note that the ability of an officer, director or other Access Person to engage in transactions in the securities of a Corporation during a window period is not automatic or absolute because no trades may be made even during a window period by an individual who possesses material, nonpublic information about the Corporation, including any decision by the Corporation to buy or sell its own shares. Further, the window period may not open in a particular quarter, and it may be closed, as the case may be, prior to the expiration of 30 days or the applicable quarter end, in each case as events require.

Additionally, Independent Directors are not required to seek preapproval for any transactions other than those which would trigger reporting requirements as set forth in Section VI (C) of this Code.

Section VProhibited Transactions

(A) An Access Person may not purchase or otherwise acquire direct or indirect Beneficial Ownership of any Covered Security on the Restricted List, and may not sell or otherwise dispose of any Covered Security on the Restricted List in which he or she has direct or indirect Beneficial Ownership, if he or she knows or should know at the time of entering into the transaction that: (1) the Corporation has purchased or sold the Covered Security within the last 15 calendar days, or is purchasing or selling or intends to purchase or sell the Covered Security in the next 15 calendar days; or (2) the Adviser has within the last 15 calendar days considered purchasing or selling the Covered Security for the Corporation or within the next 15 calendar days intend to consider purchasing or selling the Covered Security for the Corporation.

(B) Every Advisory Person of the Corporation or the Adviser must obtain approval from the Corporation or the Adviser, as the case may be, before directly or indirectly acquiring Beneficial Ownership in any securities in an Initial Public Offering or in a Limited Offering. Such approval must be obtained from the Chief Compliance Officer, unless he is the person seeking such approval, in which case it must be obtained from the President of the 17j-1 Organization.

(C) No Access Person shall recommend any transaction in any Covered Securities by the Corporation without having disclosed to the Chief Compliance Officer his or her interest, if any, in such Covered Securities or the issuer thereof, including: the Access Person's Beneficial Ownership of any Covered Securities of such issuer; any contemplated transaction by the Access Person in such Covered Securities; any position the Access Person has with such issuer; and any present or proposed business relationship between such issuer and the Access Person (or a party which the Access Person has a significant interest).

Section VIReports by Access Persons

(A) Personal Securities Holdings Reports.

All Access Persons shall within 10 days of the date on which they become Access Persons, and thereafter, within 30 days after the end of each calendar year, disclose the title, number of shares and principal amount of all Covered Securities in which they have a Beneficial Ownership as of the date the person became an Access Person, in the case of such person's initial report, and as of the last day of the year, as to annual reports. A form of such report, which is hereinafter called a "Personal Securities Holdings Report," is attached hereto as Schedule A. Each Personal Securities Holdings Report must also disclose the name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person or as of the last day of the year, as the case may be. Each Personal Securities Holdings Report shall state the date it is being submitted.

(B) Quarterly Transaction Reports.

Within 30 days after the end of each calendar quarter, each Access Person shall make a written report to the Chief Compliance Officer of all transactions occurring in the quarter in a

Covered Security in which he or she had any Beneficial Ownership. A form of such report, which is hereinafter called a "Quarterly Securities Transaction Report," is attached hereto as Schedule B.

A Quarterly Securities Transaction Report shall be in the form of Schedule B or such other form approved by the Chief Compliance Officer and must contain the following information with respect to each reportable transaction:

(1) Date and nature of the transaction (purchase, sale or any other type of acquisition or disposition);

(2) Title, interest rate and maturity date (if applicable), number of shares and principal amount of each Covered Security involved and the price of the Covered Security at which the transaction was effected;

(3) Name of the broker, dealer or bank with or through whom the transaction was effected; and

(4) The date the report is submitted by the Access Person.

(C) Independent Directors.

Notwithstanding the reporting requirements set forth in this Section V, an Independent Director who would be required to make a report under this Section V solely by reason of being a director of the Corporation is not required to file a Personal Securities Holding Report upon becoming a director of the Corporation or an annual Personal Securities Holding Report. Such an Independent Director also need not file a Quarterly Securities Transaction Report unless such director knew or, in the ordinary course of fulfilling his or her official duties as a director of the Corporation, should have known that during the 15-day period immediately preceding or after the date of the transaction in a Covered Security by the director such Covered Security is or was purchased or sold by the Corporation or the Corporation or the Adviser considered purchasing or selling such Covered Security.

(D) Access Persons of the Adviser.

An Access Person of the Adviser need not make a Quarterly Transaction Report if all of the information in the report would duplicate information required to be recorded pursuant to Rules 204-2(a)(12) or (13) under the Advisers Act.

(E) Brokerage Accounts and Statements.

Access Persons, except Independent Directors, shall:

(1) within 10 days after the end of each calendar quarter, identify the name of the broker, dealer or bank with whom the Access Person established an account in which any securities were held during the quarter for the direct or indirect benefit of the Access Person and identify any new account(s) and the date the account(s) were established. This information shall be included on the appropriate Quarterly Securities Transaction Report.

(2) instruct the brokers, dealers or banks with whom they maintain such an account to provide duplicate account statements to the Chief Compliance Officer.

(3) on an annual basis, certify that they have complied with the requirements of (1) and (2) above.

(F) Form of Reports.

A Quarterly Securities Transaction Report may consist of broker statements or other statements that provide a list of all personal Covered Securities holdings and transactions in the time period covered by the report and contain the information required in a Quarterly Securities Transaction Report.

(G) Responsibility to Report.

It is the responsibility of each Access Person to take the initiative to comply with the requirements of this Section VI. Any effort by the Corporation, or by the Adviser and its affiliates, to facilitate the reporting process does not change or alter that responsibility. A person need not make a report hereunder with respect to transactions effected for, and Covered Securities held in, any account over which the person has no direct or indirect influence or control.

(H) Where to File Reports.

All Quarterly Securities Transaction Reports and Personal Securities Holdings Reports must be filed with the Chief Compliance Officer.

(I) Disclaimers.

Any report required by this Section VI may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the Covered, Security to which the report relates.

Section VIIAdditional Prohibitions

(A) Confidentiality of the Corporation’s Transactions.

Until disclosed in a public report to shareholders or to the Securities and Exchange Commission (the “SEC”) in the normal course, all information concerning the securities “being considered for purchase or sale” by the Corporation shall be kept confidential by all Covered Personnel and disclosed by them only on a “need to know” basis. It shall be the responsibility of the Chief Compliance Officer to report any inadequacy found in this regard to the directors of the Corporation.

(B) Outside Business Activities and Directorships.

Access Persons may not engage in any outside business activities that may give rise to conflicts of interest or jeopardize the integrity or reputation of the Corporation. Similarly, no such outside business activities may be inconsistent with the interests of the Corporation. All directorships of public or private companies held by Access Persons shall be reported to the Chief Compliance Officer.

(C) Gratuities.

Covered Personnel shall not, directly or indirectly, take, accept or receive gifts or other consideration in merchandise, services or otherwise of more than nominal value from any person, firm, corporation, association or other entity other than such person's employer that does business, or proposes to do business, with the Corporation.

Section VIIIProhibition Against Insider Trading

This Section is intended to satisfy the requirements of Section 204A of the Advisers Act, which is applicable to the Adviser and requires that the Adviser establish and enforce procedures designed to prevent the misuse of material, non-public information by its associated persons. It applies to all Advisory Persons. Trading securities while in possession of material, non-public information, or improperly communicating that information to others, may expose an Advisory Person to severe penalties. Criminal sanctions may include a fine of up to $1,000,000 and/or ten years imprisonment. The SEC can recover the profits gained or losses avoided through the violative trading, a penalty of up to three times the illicit windfall, and an order permanently barring an Advisory Person from the securities industry. Finally, an Advisory Person may be sued by investors seeking to recover damages for insider trading violations.

(A) No Advisory Person may trade a security, either personally or on behalf of any other person or account (including any fund), while in possession of material, non-public information concerning that security or the issuer thereof, nor may any Advisory Person communicate material, non-public information to others in violation of the law.

(B) Information is "material" where there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Generally, this includes any information the disclosure of which will have a substantial effect on the price of a security. No simple test exists to determine when information is material; assessments of materiality involve a highly fact specific inquiry. For this reason, an Advisory Person should direct any questions about whether information is material to the Chief Compliance Officer. Material information often relates to a company's results and operations, including, for example, dividend changes, earnings results, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments. Material information may also relate to the market for a company's securities. Information about a significant order to purchase or sell Securities may, in some contexts, be material. Pre-publication information regarding reports in the financial press may also be material.

(C) Information is "public" when it has been disseminated broadly to investors in the marketplace. For example, information is public after it has become available to the general public through a public filing with the SEC or some other government agency, the Dow Jones "tape" or The Wall Street Journal or some other publication of general circulation, and after sufficient time has passed so that the information has been disseminated widely.

(D) An Advisory Person, before executing any trade for himself or herself, or others, including the Corporation or other accounts managed by the Adviser or by a stockholder of the

Adviser, or any affiliate of the stockholder (collectively, “Client Accounts”), must determine whether he or she has material, non-public information. Any Advisory Person who believes he or she is in possession of material, non-public information must take the following steps:

(1) Report the information and proposed trade immediately to the Chief Compliance Officer.

(2) Do not purchase or sell the securities on behalf of anyone, including Client Accounts.

(3) Do not communicate the information to any person, other than to the Chief Compliance Officer.

After the Chief Compliance Officer has reviewed the issue, the Chief Compliance Officer will determine whether the information is material and non-public and, if so, what action the Advisory Person should take. An Advisory Person must consult with the Chief Compliance Officer before taking any further action. This degree of caution will protect the Advisory Person and the Adviser.

(E) To prevent and detect insider trading from occurring, the Chief Compliance Officer shall prepare and maintain a “Restricted List” in order to monitor and prevent the occurrence of insider trading in certain securities that Access Persons are prohibited or restricted from trading. The Chief Compliance Officer manages, maintains and updates the Restricted List to actually restrict trading (no buying, no selling, no shorting, no trading, etc.) in the securities of specific issuers for personal accounts and on behalf Adviser’s clients. Before executing any trade for himself or herself, Advisory Persons are required to determine whether the transaction involves a security on the Restricted List. Advisory Persons are prohibited from trading any security which appears on the Restricted List, except that, with prior approval, an Advisory Person may sell securities which were not on the Restricted List when acquired (or which were acquired at a time when the Advisory Person was not subject to such restrictions). The Restricted List must be maintained strictly confidential and not disclosed to anyone outside of the Adviser and the Corporation.

(F) Contacts with public companies will sometimes be a part of an Adviser’s research efforts. Persons providing investment advisory services to the Corporation may make investment decisions on the basis of conclusions formed through such contacts and analysis of publicly available information. Difficult legal issues arise, however, when, in the course of these contacts, an Advisory Person becomes aware of material, non-public information. This could happen, for example, if a company’s chief financial officer prematurely discloses quarterly results to an analyst, or an investor relations representative makes selective disclosure of adverse news to a handful of investors. In such situations, the Adviser must make a judgment as to its further conduct. To protect yourself, clients and the Adviser, you should contact the Chief Compliance Officer immediately if you believe that you may have received material, non-public information.

Section IXAnnual Certification

(A) Access Persons.

Access Persons who are directors, managers, officers or employees of the Corporation or the Adviser shall be required to certify annually that they have read this Code and that they understand it and recognize that they are subject to it. Further, such Access Persons shall be required to certify annually that they have complied with the requirements of this Code.

(B) Board Review.

No less frequently than annually, the Corporation and the Adviser must furnish to the Corporation's board of directors, and the board must consider, a written report that: (1) describes any issues arising under this Code or procedures since the last report to the board, including, but not limited to, information about material violations of this Code or procedures and sanctions imposed in response to material violations; and (2) certifies that the Corporation or the Adviser, as applicable, has adopted procedures reasonably necessary to prevent Access Persons from violating this Code.

Section XSanctions

Any violation of this Code shall be subject to the imposition of such sanctions by the 17j-1 Organization as may be deemed appropriate under the circumstances to achieve the purposes of Rule 17j-1 and this Code. The sanctions to be imposed shall be determined by the board of directors, including a majority of the Independent Directors, provided, however, that with respect to violations by persons who are directors, managers, officers or employees of the Adviser (or of a company that controls the Adviser), the sanctions to be imposed shall be determined by the Adviser (or the controlling person thereof). Sanctions may include, but are not limited to, suspension or termination of employment, a letter of censure and/or restitution of an amount equal to the difference between the price paid or received by the Corporation and the more advantageous price paid or received by the offending person.

Section XIAdministration and Construction

(A) The administration of this Code shall be the responsibility of the Chief Compliance Officer.

(B) The duties of the Chief Compliance Officer are as follows:

(1) Continuous maintenance of a current list of the names of all Access Persons with an appropriate description of their title or employment, including a notation of any directorships held by Access Persons who are officers or employees of the Adviser or of any company that controls the Adviser, and informing all Access Persons of their reporting obligations hereunder;

(2) On an annual basis, providing all Covered Personnel a copy of this Code and informing such persons of their duties and obligations hereunder including any supplemental training that may be required from time to time;

(3) Maintaining or supervising the maintenance of all records and reports required by this Code;

(4) Preparing listings of all transactions effected by Access Persons who are subject to the requirement to file Quarterly Securities Transaction Reports and reviewing such transactions against a listing of all transactions effected by the Corporation;

(5) Issuance either personally or with the assistance of counsel as may be appropriate, of any interpretation of this Code that may appear consistent with the objectives of Rule 17j-1 and this Code;

(6) Conduct such inspections or investigations as shall reasonably be required to detect and report, with recommendations, any apparent violations of this Code to the board of directors of the Corporation;

(7) Submission of a report to the board of directors of the Corporation, no less frequently than annually, a written report that describes any issues arising under the Code since the last such report, including but not limited to the information described in Section VI (B); and

(C) The Chief Financial Officer shall maintain and cause to be maintained in an easily accessible place at the principal place of business of the 17j-1 Organization, the following records:

(1) A copy of all codes of ethics adopted by the Corporation or the Adviser and its affiliates, as the case may be, pursuant to Rule 17j-1 that have been in effect at any time during the past five (5) years;

(2) A record of each violation of such codes of ethics and of any action taken as a result of such violation for at least five (5) years after the end of the fiscal year in which the violation occurs;

(3) A copy of each report made by an Access Person for at least two (2) years after the end of the fiscal year in which the report is made, and for an additional three (3) years in a place that need not be easily accessible;

(4) A copy of each report made by the Chief Compliance Officer to the board of directors for two (2) years from the end of the fiscal year of the Corporation in which such report is made or issued and for an additional three (3) years in a place that need not be easily accessible;

(5) A list of all persons who are, or within the past five (5) years have been, required to make reports pursuant to Rule 17j-1 and this Code, or who are or were responsible for reviewing such reports;

(6) A copy of each report required by Section VII (B) of this Code for at least two (2) years after the end of the fiscal year in which it is made, and for an additional three (3) years in a place that need not be easily accessible; and

(7) A record of any decision, and the reasons supporting the decision, to approve the acquisition by an Advisory Person of securities in an Initial Public Offering or Limited Offering for at least five (5) years after the end of the fiscal year in which the approval is granted.

(D) This Code may not be amended or modified except in a written form that is specifically approved by majority vote of the Independent Directors.

This Joint Code of Ethics, originally adopted December 12, 2007 and amended as of May 3, 2022, is annually reviewed and approved by the Board of Directors of the Corporation, including a majority of the Independent Directors.

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302
CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Arthur H. Penn, Chief Executive Officer of PennantPark Floating Rate Capital, Ltd., certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Floating Rate Capital, Ltd.;

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: May 4, 2022

/s/ Arthur H. Penn

Name:	Arthur H. Penn
Title:	Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302
CHIEF FINANCIAL OFFICER CERTIFICATION

I, Richard Cheung, Chief Financial Officer of PennantPark Floating Rate Capital, Ltd., certify that:

1. I have reviewed this Report on Form 10-Q of PennantPark Floating Rate Capital, Ltd.;

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: May 4, 2022

/s/ Richard Cheung

Name:	Richard Cheung
Title:	Chief Financial Officer

EXHIBIT 32.1

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 and six months ended March 31, 2022 (the "Report") of PennantPark Floating Rate Capital, Ltd. (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:	May 4, 2022

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 and six months ended March 31, 2022 (the “Report”) of PennantPark Floating Rate Capital, Ltd. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Richard Cheung, 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 Cheung

Name:	Richard Cheung
Title:	Chief Financial Officer
Date:	May 4, 2022