

PennantPark Floating Rate Capital Ltd.  
Form 10-Q  
February 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934  
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2017

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)

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MARYLAND  
(State or other jurisdiction of incorporation or organization)

27-3794690

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

590 Madison Avenue, 15<sup>th</sup> Floor

New York, N.Y.

10022

(Address of principal executive offices)

(Zip Code)

(212) 905-1000

(Registrant's Telephone Number, Including Area Code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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

(Do not check if a smaller reporting company)

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

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The number of shares of the registrant's common stock, \$0.001 par value per share, outstanding as of February 8, 2018 was 38,772,074.

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PENNANTPARK FLOATING RATE CAPITAL LTD.

FORM 10-Q FOR THE QUARTER ENDED DECEMBER 31, 2017

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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 promulgated by the Securities and Exchange Commission, or the SEC. In this Report, except where the context suggests otherwise, the terms “Company,” “we,” “our” or “us” refer 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; “PennantPark Investment Advisers” or “Investment Adviser” refers to PennantPark Investment Advisers, LLC; “PennantPark Investment Administration” or “Administrator” refers to PennantPark Investment Administration, LLC; “Credit Facility” refers to our multi-currency, senior secured revolving credit facility, as amended and restated; “2023 Notes” refers to our 3.83% Series A notes due 2023; “1940 Act” refers to the Investment Company Act of 1940, as amended; “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. References to our portfolio, our investments, our 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

	December 31, 2017 (unaudited)	September 30, 2017
<b>Assets</b>		
Investments at fair value		
Non-controlled, non-affiliated investments (cost—\$672,975,750 and \$665,514,821, respectively)	\$ 677,586,189	\$ 666,973,639
Controlled, affiliated investments (cost—\$61,000,000 and \$43,000,000, respectively)	61,843,585	43,525,143
Total of investments (cost—\$733,975,750 and \$708,514,821, respectively)	739,429,774	710,498,782
Cash and cash equivalents (cost—\$127,718,637 and \$18,847,673, respectively)	127,785,338	18,910,756
Interest receivable	2,632,994	2,520,506
Receivable for investments sold	11,190,048	14,185,850
Prepaid expenses and other assets	806,566	1,229,505
Total assets	881,844,720	747,345,399
<b>Liabilities</b>		
Distributions payable	3,683,347	3,085,607
Payable for investments purchased	5,599,239	21,730,512
Credit Facility payable (cost—\$190,368,311 and \$253,783,301, respectively) (See Notes 5 and 10)	192,809,299	256,858,457
2023 Notes payable (cost—\$138,579,858 and zero, respectively) (See Notes 5 and 10)	136,085,421	—
Interest payable on debt	1,189,268	693,787
Base management fee payable (See Note 3)	1,822,063	1,784,806
Performance-based incentive fee payable (See Note 3)	2,572,461	5,061,217
Accrued other expenses	663,371	224,739
Total liabilities	344,424,469	289,439,125
<b>Commitments and contingencies (See Note 11)</b>		
<b>Net assets</b>		
Common stock, 38,772,074 and 32,480,074 shares issued and outstanding, respectively		
Par value \$0.001 per share and 100,000,000 shares authorized	38,772	32,480
Paid-in capital in excess of par value	539,462,336	451,448,872
(Distributions in excess of ) undistributed net investment income	(9,200,786 )	3,163,645
Accumulated net realized gain on investments	1,502,838	4,289,389
Net unrealized appreciation on investments	5,563,642	2,047,044

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Net unrealized depreciation (appreciation) on debt	53,449	(3,075,156 )
Total net assets	\$537,420,251	\$457,906,274
Total liabilities and net assets	\$881,844,720	\$747,345,399
Net asset value per share	\$13.86	\$14.10

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended December 31,	
	2017	2016
Investment income:		
From non-controlled, non-affiliated investments:		
Interest	\$ 13,867,420	\$ 11,951,835
Other income	433,180	679,433
From controlled, affiliated investments:		
Interest	535,760	—
Total investment income	14,836,360	12,631,268
Expenses:		
Base management fee (See Note 3)	1,822,063	1,595,727
Performance-based incentive fee (See Note 3)	148,010	1,469,369
Interest and expenses on debt (See Note 10)	2,618,308	1,800,725
Administrative services expenses (See Note 3)	500,000	561,250
Other general and administrative expenses	618,751	357,500
Expenses before amendment costs, debt issuance costs and provision for taxes	5,707,132	5,784,571
Credit Facility amendment costs and debt issuance costs (See Notes 5 and 10)	10,869,098	—
Provision for taxes	200,000	25,000
Total expenses	16,776,230	5,809,571
Net investment (loss) income	(1,939,870 )	6,821,697
Realized and unrealized gain on investments and debt:		
Net realized (loss) gain on investments	(2,786,551 )	549,401
Net change in unrealized appreciation on:		
Non-controlled, non-affiliated investments	3,198,156	2,546,025
Controlled, affiliated investments	318,442	—
Debt depreciation (appreciation) (See Notes 5 and 10)	3,128,605	(1,068,214 )
Net change in unrealized appreciation on investments and debt	6,645,203	1,477,811
Net realized and unrealized gain from investments and debt	3,858,652	2,027,212
Net increase in net assets resulting from operations	\$ 1,918,782	\$ 8,848,909
Net increase in net assets resulting from operations per common share (See Note 7)	\$ 0.05	\$ 0.33
Net investment (loss) income per common share	\$(0.05 )	\$ 0.26

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS



## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

	Three Months Ended December 31,	
	2017	2016
Net increase in net assets resulting from operations:		
Net investment (loss) income	\$(1,939,870 )	\$6,821,697
Net realized (loss) gain on investments	(2,786,551 )	549,401
Net change in unrealized appreciation on investments	3,516,598	2,546,025
Net change in unrealized depreciation (appreciation) on debt	3,128,605	(1,068,214 )
Net increase in net assets resulting from operations	1,918,782	8,848,909
Distributions to stockholders	(10,424,561 )	(7,618,071 )
Capital transactions		
Public offering (See Note 1)	89,031,800	—
Offering costs	(1,012,044 )	—
Net increase in net assets resulting from capital transactions	88,019,756	—
Net increase in net assets	79,513,977	1,230,838
Net assets:		
Beginning of period	457,906,274	375,906,828
End of period	\$537,420,251	\$377,137,666
(Distribution in excess of) undistributed net investment income, end of period	\$(9,200,786 )	\$3,763,272
Capital share activity:		
Shares issued from public offering	6,292,000	—



SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three Months Ended December 31,	
	2017	2016
Cash flows from operating activities:		
Net increase in net assets resulting from operations	\$ 1,918,782	\$ 8,848,909
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized appreciation on investments	(3,516,598 )	(2,546,025 )
Net change in unrealized (depreciation) appreciation on debt	(3,128,605 )	1,068,214
Net realized loss (gain) on investments	2,786,551	(549,401 )
Net accretion of discount and amortization of premium	(382,250 )	(425,722 )
Purchases of investments	(176,867,446)	(124,826,238)
Payment-in-kind interest	(160,484 )	(39,085 )
Proceeds from dispositions of investments	149,082,954	70,405,217
Increase in interest receivable	(112,488 )	(608,313 )
Decrease (increase) in receivable for investments sold	2,995,802	(11,357,601 )
Decrease in prepaid expenses and other assets	422,939	52,716
Decrease in payable for investments purchased	(16,131,273 )	(3,108,608 )
Increase in interest payable on debt	495,481	140,699
Increase in base management fee payable	37,257	137,101
Decrease in performance-based incentive fee payable	(2,488,756 )	(852,774 )
Increase in accrued other expenses	438,632	169,682
Net cash used in operating activities	(44,609,502 )	(63,491,229 )
Cash flows from financing activities:		
Public offering	89,031,800	—
Offering costs	(1,012,044 )	—
Distributions paid to stockholders	(9,826,821 )	(7,618,071 )
Proceeds from 2023 Notes issuance (See Notes 5 and 10)	138,579,858	—
Borrowings under Credit Facility (See Notes 5 and 10)	11,485,010	91,902,000
Repayments under Credit Facility (See Notes 5 and 10)	(74,900,000 )	(25,500,000 )
Net cash provided by financing activities	153,357,803	58,783,929
Net increase (decrease) in cash equivalents	108,748,301	(4,707,300 )
Effect of exchange rate changes on cash	126,281	(108 )
Cash and cash equivalents, beginning of period	18,910,756	28,910,973
Cash and cash equivalents, end of period	\$ 127,785,338	\$ 24,203,565
Supplemental disclosure of cash flow information:		
Interest paid	\$ 12,991,925	\$ 1,660,026

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Taxes paid	\$2,984	\$—
Non-cash exchanges and conversions	\$—	\$709,685

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED SCHEDULE OF INVESTMENTS

DECEMBER 31, 2017

(Unaudited)

Name	Maturity	Industry	Coupon	Basis Point		Cost	Fair Value
				Current	Spread		
Investments in Non-Controlled, Non-Affiliated Portfolio Companies	—	126.1%	(4)	Par /	Shares		
Secured Debt—115.3%							
ed Cable Communications, LLC	08/09/2021	Telecommunications	7.44 %	3M L+575	15,988,750	\$15,806,841	\$15,988,750
Group Intermediate Holdings, Inc.	12/30/2022	Banking, Finance, Insurance and Real Estate	6.86 %	1M L+550	10,559,896	10,482,709	10,559,896
Group Intermediate Holdings, Inc. (Revolver) <sup>(8)</sup>	12/30/2021	Banking, Finance, Insurance and Real Estate	—	—	1,771,962	—	—
Group Intermediate Holdings, Inc. <sup>(8), (9)</sup>	12/30/2022	Banking, Finance, Insurance and Real Estate	—	—	5,895,073	—	—
America, Inc. <sup>(8)</sup>	08/08/2022	Business Services	8.70 %	3M L+700	698,246	698,246	698,246
an Auto Auction Group, LLC	11/30/2021	Transportation: Consumer	6.56 %	3M L+525	5,902,594	5,831,627	5,814,000
an Gilsonite Company <sup>(8)</sup>	12/31/2021	Metals and Mining	15.00 %	—	128,248	124,752	144,900
an Scaffold	03/31/2022	Aerospace and Defense	8.19 %	3M L+650	4,687,500	4,632,649	4,640,000
an Teleconferencing Services, Ltd.	12/08/2021	Telecommunications	7.90 %	3M L+650	10,541,782	10,385,394	10,340,000
esia Consulting & Management, LP	10/31/2022	Healthcare and Pharmaceuticals	7.94 %	3M L+525	3,624,167	3,593,663	3,530,000
chnologies Corp.	04/22/2022	Aerospace and Defense	8.19 %	3M L+650	4,850,567	4,776,928	4,874,000
recision Systems & Space Company, Inc.	04/28/2023	Aerospace and Defense	7.20 %	3M L+550	11,940,000	11,828,685	11,828,000
nt Professional IT Services, LLC	05/16/2022	High Tech Industries	8.67 %	—	15,563,421	15,213,871	15,563,000

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					1M			
					L+725			
nt Professional IT Services, LLC (Revolver) <sup>(8)</sup> ,	05/16/2022	High Tech Industries	—	—	2,311,784	—	—	—
e Aerospace, LLC	11/14/2023	Aerospace and Defense	7.91 %	3M	11,000,000	10,892,191	10,900,000	10,900,000
Cargo Control, Inc.	06/30/2021	Transportation: Cargo	6.32 %	1M	2,437,500	2,422,148	2,340,000	2,340,000
Valor Companies, Inc. <sup>(10)</sup>	06/16/2023	Media: Broadcasting and Subscription	5.94 %	3M	6,982,500	6,966,528	7,050,000	7,050,000
as Markets LLC	11/29/2023	Beverage, Food and Tobacco	7.32 %	1M	3,903,892	3,913,045	3,880,000	3,880,000
TZ Purchaser, Inc.	07/21/2023	Consumer Goods: Durable	7.69 %	3M	12,343,750	12,073,766	12,290,000	12,290,000
n Soup for the Soul Publishing, LLC	01/08/2019	Media: Advertising, Printing and Publishing	7.61 %	1M	4,589,286	4,576,386	4,240,000	4,240,000
Glassboards LLC	03/16/2023	Construction and Building	6.82 %	1M	4,330,000	4,290,634	4,330,000	4,330,000
Industries LLC	11/25/2020	Aerospace and Defense	11.11 %	1M	5,922,755	5,846,351	5,920,000	5,920,000
Industries LLC (Revolver) <sup>(8), (9)</sup>	11/25/2020	Aerospace and Defense	—	—	518,033	—	—	—
y Fresh Holdings, LLC	03/31/2023	Beverage, Food and Tobacco	6.69 %	3M	19,619,991	19,574,262	19,050,000	19,050,000
olding, LLC	08/02/2021	Business Services	6.82 %	1M	9,875,100	9,796,637	9,875,000	9,875,000
oldings, Inc. <sup>(8)</sup>	10/31/2023	Consumer Goods: Non-Durable	8.32 %	3M	27,500,000	26,962,074	26,950,000	26,950,000
oldings, Inc. (Revolver) <sup>(8), (9)</sup>	10/31/2022	Consumer Goods: Non-Durable	—	—	2,115,000	—	—	—
s Products and Packaging Company LLC	06/30/2020	Chemicals, Plastics and Rubber	6.45 %	3M	4,373,643	4,356,111	4,375,000	4,375,000
Performance Brands, Inc.	09/30/2022	Consumer Goods: Durable	6.16 %	1M	10,487,120	10,460,640	10,480,000	10,480,000
Performance Brands, Inc. (Revolver) <sup>(8), (9)</sup>	09/30/2022	Consumer Goods: Durable	—	—	1,000,000	—	—	—
lley Tourist Development Authority	03/07/2022	Hotel, Gaming and Leisure	9.69 %	3M	16,701,000	16,495,827	16,780,000	16,780,000
on Networks of America, Inc.	05/06/2021	Telecommunications	8.69 %	3M	12,353,267	12,231,129	12,290,000	12,290,000
on Networks of America, Inc. (Revolver) <sup>(8), (9)</sup>	05/06/2021	Telecommunications	—	—	2,173,913	—	—	(10,800,000)
nt Collaborative Retail Marketing Company, LLC	06/15/2022	Media: Diversified and Production	8.44 %	3M	9,912,089	9,834,007	9,910,000	9,910,000
Software LLC <sup>(8)</sup>	11/14/2022	High Tech Industries	8.92 %	1M	14,933,333	14,567,640	14,700,000	14,700,000
Software LLC (Revolver) <sup>(8)</sup>	11/14/2022	High Tech Industries	9.75 %	P+550	333,333	333,333	333,333	333,333
Software LLC (Revolver) <sup>(8), (9)</sup>	11/14/2022	High Tech Industries	—	—	2,333,333	—	—	—
der Sleep Products, LLC	06/09/2023	Consumer Goods: Non-Durable	9.69 %	3M	10,975,119	10,770,519	10,750,000	10,750,000
zer Limited and Aptara, Inc. <sup>(6), (10)</sup>	05/01/2019	Business Services	7.57 %	—	6,678,438	6,652,149	6,610,000	6,610,000

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					1M			
FE1 B.V. <sup>(6), (10), (11)</sup>	10/12/2021	Chemicals, Plastics and Rubber	8.00	%	3M	€ 12,050,199	12,524,977	14,400,000
					L+600			
Sales, LLC	12/30/2021	Wholesale	8.33	%	3M	6,676,852	6,676,852	6,676,852
					L+700			
Sales, LLC <sup>(8), (9)</sup>	12/30/2021	Wholesale	—		—	3,234,375	—	—
Structure Supply Operations Pty Ltd. <sup>(6), (10), (11)</sup>	12/12/2023	Wholesale	6.48	%	1M	\$5,000,000	3,644,625	3,773,000
					L+475			
Medical Ophthalmics Inc. <sup>(6), (10)</sup>	04/13/2022	Capital Equipment	8.44	%	3M	3,365,125	3,321,970	3,365,125
					L+675			
Medical Ophthalmics Inc. (Revolver) <sup>(6), (8), (9),</sup>	04/13/2022	Capital Equipment	—		—	530,973	—	—
ks, Inc. <sup>(8)</sup>	11/14/2024	Business Services	5.70	%	3M	15,000,000	14,925,397	14,900,000
					L+400			
s Power, Inc.	04/30/2020	Consumer Goods: Durable	8.07	%	1M	4,719,237	4,697,025	4,388,000
					L+650			
n Hewitt Inc.	07/30/2020	Consumer Services	8.38	%	3M	4,653,450	4,600,750	4,577,000
					L+700			
e Solutions NoCal, L.P. <sup>(8)</sup>	02/19/2021	Chemicals, Plastics and Rubber	10.57	%	1M	4,002,471	3,939,181	3,969,000
					L+900			
oldings, Inc.	10/31/2022	Wholesale	7.69	%	3M	12,132,527	11,974,864	12,132,527
					L+600			
oldings, Inc. (Revolver) <sup>(8)</sup>	10/30/2020	Wholesale	5.80	%	1M	120,968	120,968	120,968
					L+425			
oldings, Inc. (Revolver) <sup>(8), (9)</sup>	10/30/2020	Wholesale	—		—	1,088,710	—	—
esort & Casino, LLC	03/07/2022	Hotel, Gaming and Leisure	11.19	%	3M	10,174,500	10,018,876	10,080,000
					L+950			
egal Software Pty Ltd <sup>(6), (10), (11)</sup>	09/12/2022	High Tech Industries	7.56	%	3M	\$9,975,000	7,714,371	7,684,000
					L+575			
e Holdings LLC <sup>(8)</sup>	11/30/2018	Healthcare and Pharmaceuticals	6.94	%	3M	4,954,937	4,936,491	4,360,000
					L+525			
t Brothers, Inc.	04/13/2022	Capital Equipment	8.44	%	3M	6,228,903	6,158,126	6,228,903
					L+675			
t Brothers, Inc. (Revolver) <sup>(8), (9)</sup>	04/13/2022	Capital Equipment	—		—	1,238,938	—	—
D Drugs Incorporated	08/19/2021	Healthcare and Pharmaceuticals	6.73	%	2M	4,238,073	4,206,526	4,195,000
					L+525			
atlantis Holdings, LLC	05/01/2023	Retail	7.36	%	1M	14,318,750	14,189,593	14,330,000
					L+600			
Pro Products, LLC <sup>(8)</sup>	12/08/2023	Consumer Goods: Non-Durable	7.52	%	3M	5,500,000	5,418,649	5,418,649
					L+600			
Pro Products, LLC <sup>(8), (9)</sup>	12/08/2023	Consumer Goods: Non-Durable	—		—	2,500,000	—	—

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)

DECEMBER 31, 2017

(Unaudited)

Issuer Name	Maturity	Industry	Coupon	Current	Basis Point		Cost	Fair Value <sup>(2)</sup>
					Spread	Par /		
Index					Ab	Par /		
Marketplace Events LLC	01/27/2021	Media: Diversified and Production	6.94	%	3M L+525	3,368,856	\$3,329,662	\$3,368,856
Marketplace Events LLC <sup>(11)</sup>	01/27/2021	Media: Diversified and Production	6.25	%	P+275	17,027,390	11,962,100	13,589,832
Marketplace Events LLC (Revolver) <sup>(8), (9)</sup>	01/27/2021	Media: Diversified and Production	—		—	1,703,163	—	—
Mission Critical Electronics, Inc. (Revolver) <sup>(8), (9)</sup>	09/28/2021	Capital Equipment	—		—	883,392	—	(3,747)
Montreign Operating Company, LLC	01/24/2023	Hotel, Gaming and Leisure	9.82	%	1M L+825	26,294,872	26,709,610	26,623,558
Morphe, LLC	02/10/2023	Consumer Goods: Non-Durable	7.69	%	3M L+600	14,437,500	14,073,831	14,293,125
New Trident HoldCorp, Inc.	07/31/2019	Healthcare and Pharmaceuticals	7.44	%	3M L+575	8,692,647	8,662,801	7,736,456
One Sixty Over Ninety, LLC	03/03/2022	Media: Advertising, Printing and Publishing	10.84	%	3M L+915	2,750,000	2,702,076	2,750,000
Profile Products LLC	01/31/2023	Environmental Industries	6.69	%	3M L+500	10,068,672	9,981,061	10,068,672
Profile Products LLC <sup>(8), (9)</sup>	01/31/2019	Environmental Industries	—		—	573,770	—	—
Profile Products LLC (Revolver) <sup>(8), (9)</sup>	01/31/2022	Environmental Industries	—		—	2,459,016	—	—
	08/23/2021		6.20	%		9,500,000	9,392,316	9,120,000

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Quick Weight Loss Centers, LLC		Beverage, Food and Tobacco			3M L+475			
Research Now Group, Inc. and Survey Sampling International LLC <sup>(8)</sup>	12/20/2024	Business Services	7.13	%	3M L+550	25,000,000	23,752,195	23,833,250
Salient CRGT Inc.	02/28/2022	High Tech Industries	7.32	%	1M L+575	19,244,048	18,908,743	19,340,268
Snak Club, LLC (Revolver) <sup>(8)</sup>	07/19/2021	Beverage, Food and Tobacco	6.36	%	1M L+500	483,333	483,333	483,333
Snak Club, LLC (Revolver) <sup>(8), (9)</sup>	07/19/2021	Beverage, Food and Tobacco	—		—	16,667	—	—
Softvision, LLC	05/21/2021	High Tech Industries	7.07	%	1M L+550	8,747,271	8,682,347	8,747,271
Sonny's Enterprises, LLC <sup>(8)</sup>	12/01/2022	Capital Equipment	6.44	%	3M L+475	5,000,000	5,000,000	5,000,000
TeleGuam Holdings, LLC	07/25/2023	Telecommunications	6.57	%	1M L+500	7,980,000	7,866,186	7,980,000
Tensar Corporation	07/09/2021	Construction and Building	6.44	%	3M L+475	4,631,234	4,605,282	4,492,297
The Infosoft Group, LLC	12/02/2021	Media: Broadcasting and Subscription	6.94	%	3M L+525	7,783,300	7,720,165	7,783,300
The Original Cakerie, Co. <sup>(6), (10)</sup>	07/20/2021	Consumer Goods: Non-Durable	7.07	%	1M L+550	3,053,641	3,030,834	3,053,641
The Original Cakerie Ltd. <sup>(6), (10)</sup>	07/20/2021	Consumer Goods: Non-Durable	6.57	%	1M L+500	5,911,177	5,867,229	5,911,177
The Original Cakerie Ltd. (Revolver) <sup>(6), (8), (9), (10)</sup>	07/20/2021	Consumer Goods: Non-Durable	—		—	1,418,484	—	—
Triad Manufacturing, Inc.	12/28/2020	Capital Equipment	12.82	%	1M L+1,125	8,663,608	8,549,410	8,663,608
UniTek Global Services, Inc. <sup>(8)</sup>	01/14/2019	Telecommunications	10.20	%	3M L+850	42,917	42,917	42,917
UniTek Global Services, Inc. <sup>(8)</sup>	01/14/2019	Telecommunications	10.20	%	3M L+850	599,702	581,812	611,696
UniTek Global Services, Inc. (Revolver) <sup>(8), (9)</sup>	01/14/2019	Telecommunications	—		—	151,090	—	—
US Med Acquisition,	08/13/2021	Healthcare and Pharmaceuticals	10.69	%	1M L+900	3,050,781	3,050,781	2,898,242

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Inc. <sup>(8)</sup>									
Veterinary Specialists of North America, LLC	07/15/2021	Healthcare and Pharmaceuticals	6.88	%	3M L+550	12,384,470	12,293,052	12,445,427	
Veterinary Specialists of North America, LLC <sup>(8), (9)</sup>	07/15/2021	Healthcare and Pharmaceuticals	—		—	5,210,333	—	25,646	
Veterinary Specialists of North America, LLC	07/15/2021	Healthcare and Pharmaceuticals	—		—	880,000	—	4,331	
(Revolver) <sup>(8)</sup> , <sup>(9)</sup>									
VIP Cinema Holdings, Inc.	03/01/2023	Consumer Goods: Durable	7.70	%	3M L+600	7,218,750	7,186,110	7,259,392	
Vistage Worldwide, Inc.	08/19/2021	Media: Broadcasting and Subscription	7.07	%	1M L+550	4,996,607	4,963,470	5,046,573	
Whitney, Bradley & Brown, Inc. (Revolver) <sup>(8)</sup>	10/18/2022	Aerospace and Defense	10.57	%	1M L+900	100,000	100,000	99,000	
Whitney, Bradley & Brown, Inc. (Revolver) <sup>(8)</sup> , <sup>(9)</sup>	10/18/2022	Aerospace and Defense	—		—	233,333	—	(2,333)	
Winchester Electronics Corporation	06/30/2022	Capital Equipment	8.19	%	3M L+650	10,243,355	10,186,995	10,294,572	
Total First Lien Secured Debt							615,144,301	619,347,801	
Second Lien Secured Debt—7.4%									
Condor Borrower, LLC <sup>(8)</sup>	04/25/2025	High Tech Industries	10.12	%	3M L+875	2,000,000	1,960,371	1,970,000	
DecoPac, Inc. <sup>(8)</sup>	03/31/2025	Beverage, Food and Tobacco	9.94	%	3M L+825	11,341,463	11,119,393	11,228,049	
Douglas Products and Packaging Company LLC	12/31/2020	Chemicals, Plastics and Rubber	12.20	%	3M L+1,050	2,000,000	1,978,343	2,020,000	
Howard Berger Co. LLC	09/30/2020	Wholesale	11.70	%	3M L+1,000	11,600,000	11,241,851	11,020,000	
			(PIK 5.12 %)						
MailSouth, Inc.	10/22/2021	Media: Advertising, Printing and	11.84	%	3M L+1,050	3,775,000	3,717,913	3,812,750	



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		Publishing							
McAfee, LLC (8)	09/29/2025	High Tech Industries	10.07	%	1M	2,500,000	2,463,043	2,501,576	
					L+850				
PT Network, LLC (8)	04/12/2023	Healthcare and Pharmaceuticals	11.36	%	3M	1,666,667	1,634,610	1,633,333	
					L+1,000				
PT Network, LLC (8), (9)	04/12/2023	Healthcare and Pharmaceuticals	—		—	333,333	—	(6,667	)
Research Now Group, Inc. and Survey Sampling International LLC (8)	12/22/2025	Business Services	11.28	%	3M	2,000,000	1,860,193	1,870,000	
					L+950				
Sunshine Oilsands Ltd. (5), (6), (8), (10)	08/01/2018	Energy: Oil and Gas	—	(7)	—	2,792,500	2,720,508	1,144,925	
Veritext Corp.	01/30/2023	Business Services	10.69	%	3M	2,690,625	2,626,095	2,690,625	
					L+900				
Total Second Lien Secured Debt Subordinated Debt/Corporate Notes—0.5%							41,322,320	39,884,591	
American Gilsonite Company (5)	12/31/2021	Metals and Mining	17.00	%	—	382,989	382,989	425,118	
									(PIK 10.37%)
Credit Infonet, Inc.	10/26/2020	High Tech Industries	13.00	%	—	2,094,892	2,055,142	2,094,892	
									(PIK 0.75 %)
UniTek Global Services, Inc.	07/15/2019	Telecommunications	15.00	%	—	176,988	176,988	180,528	
									(PIK 15.00%)
Total Subordinated Debt/Corporate Notes							2,615,119	2,700,538	

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARIES

## CONSOLIDATED SCHEDULE OF INVESTMENTS—(Continued)

DECEMBER 31, 2017

(Unaudited)

Issuer Name	Maturity	Industry	Coupon	Basis Point		Shares	Cost	Fair Value <sup>(2)</sup>
				Current	Above Par / Spread			
Preferred Equity—0.4%, <sup>(8)</sup>								
Condor Holdings Limited <sup>(6), (10)</sup>	—	High Tech Industries	—	—	—	88,000	\$10,173	\$10,173
Condor Top Holdco Limited <sup>(6), (10)</sup>	—	High Tech Industries	—	—	—	88,000	77,827	77,827
UniTek Global Services, Inc. - Senior Preferred Equity	—	Telecommunications	18.00 %	—	—	448,851	448,851	495,817
UniTek Global Services, Inc.	—	Telecommunications	13.50 %	—	—	1,047,317	670,283	1,561,511
Total Preferred Equity							1,207,134	2,145,328
Common Equity/Warrants—2.5%, <sup>(8)</sup>								
Affinion Group Holdings, Inc.	—	Consumer Goods: Durable	—	—	—	99,029	3,514,572	1,929,760
Affinion Group Holdings, Inc., Series C and Series D	—	Consumer Goods: Durable	—	—	—	4,298	1,186,649	5,011
American Gilsonite Company	—	Metals and Mining	—	—	—	1,000	215,182	361,172