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This brochure provides information about the qualifications and business practices of PennantPark Investment Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 905-1000 and/or www.pennantpark.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about PennantPark Investment Advisers, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Form ADV Part 2A contains revisions to the previous version submitted in March 2019 and we believe they are immaterial.

Item 3

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Item 4: Advisory Business

PennantPark Investment Advisers, LLC (“PennantPark”, “we”, “our” and “us”) is an investment advisory firm that currently provides discretionary portfolio services to two Business Development Companies (“BDCs”) and six funds (the “Funds”)(the BDCs and the Funds are each a “Client” and collectively “Clients”).The principal owner is Arthur Howard Penn.

We typically advise our Clients on U.S. middle-market private companies in the form of senior secured loans, mezzanine debt and equity investments. The companies in which we advise our Clients to invest are typically highly leveraged, often as a result of leveraged buy-outs or other recapitalization transactions. We may also provide investment advice regarding high-yield debt, stressed and distressed debt, international debt, short opportunities, long- and short-term purchases of general equity securities (including exchange listed, over-the-counter and foreign-issued securities), US government securities, warrants and options contracts on securities.

Our current advisory services are tailored to the needs of our Clients, based on the investment policies and restrictions contained in our Securities and Exchange Commission (“SEC”) registration statements or private offering documentation.

We do not participate in any wrap fee program.

As of December 31, 2019 our assets under management (“AUM”) exceeded \$3.2 billion on a discretionary basis. Our non-discretionary AUM is over \$191 million.

Item 5: Fees and Compensation

Fees for our BDC Clients are as stated in the investment management agreement established between PennantPark and each BDC and includes a base management fee and an incentive fee. Such fees are described in more detail in the registration statements for the BDCs.

Fees for the Funds are as stated in the investment management agreement established between PennantPark and each fund. The fees paid to PennantPark by the Funds include a base management and incentive fees.

We may negotiate separate fees for certain accounts rather than adhering to a rigid fee schedule. Negotiated fees may be based on a percentage of the assets which the Client has under management, fixed fees, administrative fees and such other fees which may be negotiated with the Client. Such fees may be affected by the amount of funds under management, the Client's investment objective and the manner in which funds are invested. Investment management fees may be waived at the discretion of PennantPark.

Our billing is handled through PennantPark Investment Administration LLC, by BNY Mellon Investment Servicing (US) Inc. (the “Sub-Administrator” for the BDCs and one fund and “Administrator” for six Funds). When billing is in arrears we will assess fees for investment management services based on the market value of each Client’s account at the end of the preceding calendar quarter. If the account has been under management for less than the full quarter, the fee is

prorated for the partial period. If we are unable to collect the account's final fee payment through Client's custodial service provider (e.g. Client's custodial account has been terminated), we reserve the right to bill the Client directly for the assessed amount of the final fee.

Our advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 12 below further describes the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (e.g., commissions).

Item 6: Performance-Based Fees and Side-By-Side Management

Our majority owner and Managing Member, Arthur H. Penn, is also the CEO and Chairman of the Board of the BDCs, PennantPark Investment Corporation and PennantPark Floating Rate Capital Ltd. and the Managing Member of our Fund Clients, PennantPark Credit Opportunities Fund II ("PCOF II"), PennantPark Credit Opportunities Fund III ("PCOF III"), Berkeley Road WC Funding SCV ("Berkeley Road"), PennantPark Senior Credit Fund ("PSCF"), PennantPark Senior Credit Fund Leverage ("PSCF Lev"), and PennantPark CLO I ("CLO I"). Since we and our Clients are under common management, there is a conflict of interest because we could direct Clients to follow our investment advice in a way which would generate fees for us but which might not be in the Clients' best interests. We address this conflict by implementing a number of controls between us and the Administrator and/or Sub Administrator. Item 12 below further describes the factors we consider in trade allocation.

Item 7: Types of Clients

Currently PennantPark provides investment advice to two BDCs, six Funds, and a CLO. The BDCs are publicly traded. The minimum dollar value for investments are:

- PCOF II is US \$1 million for individual investors and US \$5 million for institutional investors;*
- PCOF III is US \$ 5 million;*
- Berkeley Road is closed to new investors;*
- PSCF is US \$5 million;*
- PSCF-Lev is US \$10 million;*
- CLO issued bonds and subordinate notes are available in the fixed income market.*

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Our Clients have similar investment objectives and strategies. Because the principals of PennantPark are the portfolio managers of the BDCs, Funds and CLO I, an absolute level of

independent judgment as it relates to matters affecting each Client may be absent under certain circumstances. While the Clients have similar investment strategies, the Funds employ a broader investment mandates than the BDCs and may make investments which are not consistent with the strategy of the BDCs. Other situations may occur where the Funds could be disadvantaged because of the investment activities we conduct for the BDCs or for other accounts that we may advise. We address this conflict by implementing a number of control between us and the Administrator and/or Sub-Administrator. Item 12 below further describes the factors we consider in trade allocation.

Risks

The prospectuses for our BDC Clients and the Private Placement Memorandum for each of our Fund Clients provide general descriptions of the risks associated with investments made for our Clients. Please see those documents for a thorough discussion. We are providing a summary of those risks below, but these will not be a complete or detailed list of the risks involved in investing with our Clients.

We advise our Clients to invest in illiquid assets, and our valuation procedures with respect to such assets may result in recording values that are materially different than the values our Clients ultimately receive upon disposition of such assets.

All of the investments we make on behalf of our Clients are recorded using broker or dealer quotes, or at fair value as determined in good faith by our BDC Clients' boards of directors or our Fund Clients' General Partner. We expect that primarily most, if not all, of these investments (other than cash and cash equivalents) will be classified as Level 3 under Accounting Standards Codification (ASC) 820, Fair Value Measurements. This means that our Clients' portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability. We expect that inputs into the determination of fair value of our portfolio investments will require significant management judgment or estimation. Even if observable market data is available, such information may be the result of consensus pricing information 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 materially reduces the reliability of such information.

Client portfolio valuations are adjusted quarterly to reflect the Clients' boards of directors' or general partner's determination of the fair value of each investment in the portfolios. Any changes in fair value are recorded in each Clients' Statement of Operations as net change in unrealized appreciation or depreciation.

Determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we advise our Clients to make. In determining fair value in good faith, we generally obtain financial and other information from portfolio companies, which may represent unaudited, projected or pro forma financial information.

At each quarter-end, portfolio assets of our Clients are recorded at fair value as determined in good faith by the Clients' boards of directors or general partner. As Clients invest a greater

percentage of their total assets in private investments, more of their portfolio assets will be valued and recorded in this manner. The Clients' boards of directors or general partner use the services of one or more nationally recognized independent valuation firms to aid them in determining the fair value of these securities. The factors that may be considered in fair value pricing of portfolio investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and cash flows, the markets in which the portfolio company does business, comparison to publicly traded companies and other relevant factors. Because valuations may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the value received in an actual transaction. Additionally, valuations of private securities and private companies are inherently uncertain. The net asset value of Client accounts could be adversely affected if the determinations regarding the fair value of Client investments were materially higher than the values that are ultimately realized upon the disposal of such securities.

The lack of liquidity in selected investments may adversely affect our Clients' business.

We may acquire our Clients' investments directly from issuers in privately negotiated transactions. Substantially all securities acquired in this manner are subject to legal and other restrictions on resale or are otherwise less liquid than publicly-traded securities. We typically sell Client investments when the portfolio company has a liquidity event such as a sale, refinancing, or initial public offering, but we are not required to do so.

The illiquidity of Client portfolio investments may make it difficult or impossible for us to sell such investments if the need arises, particularly in light of recent market developments in which investor appetite for illiquid securities has substantially diminished. In addition, if we are required to liquidate all or a portion of a Client's portfolio quickly, the Client may realize significantly less than the value at which they have previously recorded their investments; this could have a material adverse effect on our Clients' business, financial condition and results of operations. In addition, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we have material non-public information regarding such portfolio company.

Client portfolio securities that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions or investor perceptions. Domestic and foreign markets are complex and interrelated, so that events in one sector of the world markets or economy, or in one geographical region, can reverberate and have materially negative consequences for other market, economic or regional sectors in a manner that may not be foreseen and which may materially harm our business.

Because we do not generally hold controlling equity interests in our portfolio companies, we are not in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

Because we do not generally have controlling equity positions in our portfolio companies, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity for the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company, and may therefore suffer a decrease in the market value of our investments.

A general disruption in the credit markets could materially damage our Clients' business.

Client portfolios are susceptible to the risk of significant loss if we are forced to discount the value of portfolio investments in order to provide liquidity to meet Client liability maturities. Client borrowings under their credit facility are collateralized by the assets in each Client's investment portfolio. A general disruption in the credit markets could result in a diminished appetite for our Clients' securities. In addition, with respect to over-the-counter traded securities, the continued viability of any over-the-counter secondary market depends on the continued willingness of dealers and other participants to purchase the securities.

A severe dislocation in the public and private credit markets and major stock markets has occurred in the past few weeks due primarily to fears about COVID-19 coronavirus and the slump in oil prices. It is unknown at this time the extent of the credit market dislocation and how long such a dislocation will last. We have initiated a work-at-home strategy to protect the staff, operations, and management of our Clients. Thus far this process has been effective. We continue to work with our portfolio companies to mitigate the effects of the dislocation.

We are highly dependent on information systems and systems failures could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on the communications and information systems, including financial and accounting systems, of the Investment Adviser. Any failure or interruption of such systems could cause delays or other problems in our activities. This, in turn, could have a material adverse effect on our business.

We are subject to risks associated with cybersecurity and cyber incidents.

Our business relies on secure information technology systems. These systems are subject to potential attacks, including through adverse events that threaten the confidentiality, integrity or availability of our information resources (i.e., cyber incidents). These attacks could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption and result in disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships, any of which could have a material adverse effect on our business, financial condition and results of operations. As our reliance on technology has increased, so have the risks posed to our information systems.

Client investments in prospective portfolio companies may be risky, and the Clients could lose all or part of their investment.

We invest Client assets primarily in senior secured loans, mezzanine debt and selected equity investments issued by U.S. middle-market companies.

- *Senior Secured Loans: When the Clients extend senior secured loans, which are defined to include first lien debt, they will generally take a security interest in the available assets of these portfolio companies, including the equity interests of their subsidiaries, although this will not always be the case. We expect this security interest, if any, to help mitigate the risk that our Clients will not be repaid. However, there is a risk that the collateral securing our Clients' loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. Also, in some circumstances, our Clients' liens could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that our Clients will receive principal and interest payments according to the loan's terms, or at all, or that they will be able to collect on the loan should they be forced to enforce their remedies.*
- *Mezzanine Debt: Our Clients' mezzanine debt investments, which are defined to include second lien secured and subordinated debt, will generally be subordinated to senior secured loans and will generally be unsecured. Our Clients' second lien debt is subordinated debt that benefits from a collateral interest in the borrower. As such, other creditors may rank senior to our Clients in the event of insolvency. This may result in an above average amount of risk and volatility or a loss of principal. These investments may involve additional risks that could adversely affect our Clients' investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject our Clients and their stockholders to non-cash income. Since our Clients will not receive cash prior to the maturity of some of their mezzanine debt investments, such investments may be of greater risk than cash paying loans.*
- *Equity Investments: On our advice, our Clients have made and expect to continue to make select equity investments. In addition, when our Clients invest in senior secured loans or mezzanine debt, they may acquire warrants to purchase equity investments from time to time. Our goal is ultimately to dispose of these equity investments and realize gains upon our disposition of such interests. However, the equity investments our Clients receive may not appreciate in value and, in fact, may decline in value. Accordingly, our Clients may not be able to realize gains from their equity investments, and any gains that they do realize on the disposition of any equity investments may not be sufficient to offset any other losses they experience.*

Investing in middle-market companies involves a number of significant risks, including:

- *companies may have limited financial resources and may be unable to meet their obligations under their debt securities that our Clients hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our Clients realizing any guarantees we may have obtained on their behalf in connection with their investment;*

- *they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;*
- *they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our Clients;*
- *they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. In addition, we and our BDC Clients' executive officers or directors may, in the ordinary course of business, be named as defendants in litigation arising from our Clients' investments in the portfolio companies; and*
- *they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.*

Risks Related to Investments in Distressed Securities.

Clients may invest in "below investment grade" securities and loans and other obligations of issuers in weak financial condition, experiencing poor operating results including, but not limited to, negative earnings, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities and obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to our Clients' investment in any portfolio asset, and a significant portion of the loan and other obligations and securities in which the BDCs and Funds expect to invest will be unrated or rated less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Investment Manager will correctly evaluate the creditworthiness of the obligor or issuer of a portfolio asset, the value of any assets collateralizing any such portfolio asset or the prospects for a successful reorganization or similar action of any such obligor or issuer. In any reorganization or liquidation proceeding relating to a company in which a Client invests, the Client may lose its entire investment, may be required to accept cash or securities with a value less than the Client's original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Client's investments may not compensate the Partners adequately for the

risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the BDC or Funds of the loan or other obligation or security in respect to which such distribution was made.

Generally, Client investments will not be “hedged” against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

The interest rates of our floating-rate loans to our portfolio companies that extend beyond 2021 might be subject to change based on recent regulatory changes.

LIBOR, the London Interbank Offered Rate, is a common rate of interest used in lending transactions between banks on the London interbank market, and is widely used as a reference for setting the interest rate on loans globally. We typically use LIBOR as a reference rate in floating-rate loans we extend to portfolio companies such that the interest due to us pursuant to a term loan extended to a portfolio company is calculated using LIBOR. The terms of our debt investments also may include minimum interest rate floors which are calculated based on LIBOR.

On July 27, 2017, the United Kingdom’s Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It is expected that a transition away from the widespread use of LIBOR to alternative indices will occur over the course of the next several years. As a result of this transition, interest rates on financial instruments tied to LIBOR, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. Further, any uncertainty regarding the continued use and reliability of LIBOR as a benchmark interest rate could adversely affect the value of our financial instruments tied to LIBOR rates. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new index calculated by short term repurchase agreements, backed by U.S. Treasury securities, called the Secured Overnight Financing Rate (“SOFR”). The first publication of SOFR was released in April 2018. Whether or not SOFR gains acceptance as a LIBOR replacement remains a question, and the future of LIBOR at this time is uncertain. If LIBOR ceases to exist, we may need to renegotiate any credit agreements with our portfolio companies extending beyond 2021 that utilize LIBOR as a factor in determining the market interest rate to replace LIBOR with the new standard that is established.

There is no guarantee that a transition from LIBOR to an alternative index will not result in financial market disruptions, significant increases in benchmark rates, or borrowing, any of which could have a material adverse effect on our business, result of operations, financial

condition, and unit price.

Risks Related to Investing in High Yield Securities.

Clients may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. In addition, Clients may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Investing in high yield debt securities involves risks which are greater than the risks of investing in higher quality debt securities. These risks include: (i) changes in credit status, including, but not limited to, weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing returns over time, they may result in greater upward and downward movement of the value of the Client's portfolio. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Certain of these securities may not have readily available markets through which a market value can be obtained. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by Clients. In addition, based on historical performance, high yield debt is more likely to default with reduced recoveries compared to investment grade rated debt.

Risks Related to Non-U.S. Investments.

Clients may invest in portfolio companies and other investments domiciled or located outside of the United States. Non-U.S. investments typically involve risks not associated with investments in U.S. companies and securities. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets, higher transaction costs, less government supervision of exchanges, brokers and issuers and greater price volatility.

Although most Client investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. The Investment Manager may employ hedging techniques to minimize these risks, but can offer no assurance that such techniques will, in fact, hedge currency risk or, that if they do, that such strategies will be effective.

Item 9: Disciplinary Information

There have been no material legal or disciplinary events.

Item 10: Other Financial Industry Activities and Affiliations

Our Clients are PennantPark Investment Corporation and PennantPark Floating Rate Capital Ltd, each of which are Business Development Companies, and PennantPark Credit Opportunities Fund II, LP, PennantPark Credit Opportunities Fund II Feeder, LLC, PennantPark Credit Opportunities Fund III, LP, PennantPark Credit Opportunities Fund III Feeder, LLC, PennantPark Senior Credit Fund, LLC, PennantPark Senior Credit Fund Feeder, LLC, PennantPark Senior Credit Fund Levered, LP, PennantPark Senior Credit Fund Cayman Levered Feeder, LP, and Berkeley Road WC Funding SPV LP, the general partner or managing member of each controlled by our Managing Member and majority owner Arthur H. Penn. Mr. Penn is the CEO and Chairman of the boards of directors of our BDC Clients, and the Managing Member of the General Partner or the Funds.

Since we and our Clients are under common management, there is a conflict of interest because we could direct the Client to follow our investment advice in a way which would generate fees for us but which might not be in the Client's best interests. We address this conflict by implementing a number of controls between us and the Administrator and/or Sub-Administrator. Item 12 below further describes the factors we consider in trade allocation.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions: *We have adopted a joint Code of Ethics (the "Code") that governs all "Access Persons", as the term is defined below, of PennantPark Investment Advisers LLC. 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 Client may not abuse their fiduciary duty to our Clients, and otherwise to deal with the types of conflict of interest situations addressed by Rule 17j-1 under the Investment Company Act of 1940, as amended (the "Investment Company Act") and Rule 204(a)-1 under the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act").*

The Code is based on the principle that our managers, officers and employees who provide services to a Client owe a fiduciary duty to the Client to conduct their personal securities transactions in a manner that does not interfere with the Client's transactions or otherwise take unfair advantage of their relationship with the Client. All directors, managers, partners, officers, and employees of PennantPark Investment Advisers LLC and PennantPark Investment Administration LLC ("Covered Personnel" or "Access Person") are expected to adhere to this general principle and to comply with all of the specific provisions of the Code that are applicable to them.

Covered Personnel may not engage in any investment transaction which will interfere with the purchase or sale of investments by the Client or benefit the Covered Personnel. Furthermore, Covered Personnel may not use information concerning the investments or investment intentions of the Client, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of the Client. 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 Client.

Prohibited Transactions: An Access Person may not purchase or otherwise acquire direct or indirect beneficial ownership of any covered security as defined in the Code ("**Covered Security**") that is on the restricted list as defined in Code ("**Restricted List**"), and may not sell or otherwise dispose of any Covered Security that is on the Restricted List. The Restricted List is updated and provided to all Access Persons weekly, and quarterly trading activity is provided by Access Persons and checked by the Chief Compliance Officer.

Personnel of PennantPark Investment Advisers LLC and or PennantPark Investment Administration LLC must obtain approval from our Chief Executive Officer or other designated personnel before trading any securities, including directly or indirectly acquiring beneficial ownership in any securities in an initial public offering (or other type of offering).

No Access Person shall recommend any transaction in any Covered Securities by the Client 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 in which the Access Person has a significant interest).

Reports by Access Persons: All Access Persons are required to file quarterly and annual securities holding reports with the Chief Compliance Officer detailing the amount of all Covered Securities in which they have a beneficial ownership.

Additional Prohibitions: All information concerning the securities being considered for purchase or sale by the Client shall be kept confidential by all Covered Personnel and disclosed by them only on a "need to know" basis. It is the responsibility of the Chief Compliance Officer to report any inadequacy found in this regard to the directors of the Client.

Annual Certification: Access Persons who are directors, managers, officers or employees of PennantPark Investment Advisers LLC must certify annually that they have read the Code of Ethics, that they understand it, and that they recognize that they are subject to it, and that they have complied with its requirements.

At least annually, we must furnish our Clients' board of directors or general partner a written report that: (A) describes any issues arising under the Code of Ethics or procedures since the last report to the board, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to such violations; and (B) certifies that we have adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

A copy of our Code of Ethics will be provided upon request to any Client, prospective client, investor or prospective investor in any fund that we manage or advise.

Item 12: Brokerage and Allocation Practices

Since we generally acquire and dispose of our investments in privately negotiated transactions, we infrequently use brokers in the normal course of our business. We are primarily responsible

for the execution of the publicly traded securities portion of our portfolio transactions and the allocation of brokerage commissions. We do not expect to execute transactions through any particular broker or dealer, but we seek to obtain the best net results for our Clients, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the brokerage firm and the firm's risk and skill in positioning blocks of securities. While we generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly upon brokerage or research services provided to our Client and us. In return for such services, we may pay a higher commission than other brokers would charge if we determine in good faith that such commission is reasonable in relation to the services provided.

The practice by which firms direct brokerage transactions for Client accounts to broker-dealers who provide them with research and brokerage products and services is known as "soft dollar" arrangements. We do not engage in soft dollar arrangements nor do we receive any soft dollar benefits. However, we do obtain research including advice, analysis and reports from broker dealers from time to time.

Our current agreements with broker-dealers or third parties are placement agreements for our current or proposed funds. If an investor requests a unique portfolio we may create an SMA or similar account and compensate the third party for the referral.

We do not recommend, request or require Client direction regarding broker-dealers.

PennantPark serves as investment adviser to its Clients, which currently consist of two BDCs, six Funds and a CLO. We and our principals and affiliates may in the future act in a variety of discretionary capacities, including investment adviser, general partner, or investment manager, for other Clients. PennantPark is a fiduciary to each Client, owes a duty of loyalty to each Client and must treat each Client fairly and equitably over time. The following are the core principles governing our trading activities and the allocation of potential investment opportunities to Clients.

As a general matter, we provide individual advice and treatment to each Client based on the Client's investment objectives, restrictions, risk profile and other relevant characteristics. We may from time to time become aware of investment opportunities which could be appropriate for multiple Clients or groups of Clients. Moreover, because our Clients may have similar or overlapping investment objectives, restrictions, risk profiles and other characteristics, an investment may be held in or considered for multiple Clients contemporaneously. For this reason, we will frequently be in the position of seeking to acquire or sell the same securities for more than one Client (or group of Clients) at the same time while, at other times, we may determine that a particular opportunity is appropriate for only a sub-set of the Clients initially considered (or that the opportunity is more appropriate for such Clients than others) based on the factors described below.

*The purpose of our Investment Allocation Policy ("**Policy**") is to ensure that investment opportunities are allocated fairly and equitably among our Clients over time. The Policy also seeks to achieve reasonable efficiency and provides the flexibility to allocate investments among Clients in a manner that is consistent with the particular investment strategy and Client base. PennantPark's employees who are responsible for allocating investment opportunities among*

Client accounts must ensure that allocations comply with the requirements of this Policy, applicable law, regulations and any exemptive relief, and the terms of each relevant Client agreement.

The following have been compiled to ensure that each Client is, at all times, treated fairly in respect of the allocation of investment opportunities.

A. General Principles

Pennant Park seeks to allocate investment opportunities among Clients fairly and equitably over time. When making investment allocation decisions, we may consider a variety of factors, among others, on a relative, or absolute basis and may, as discussed below, establish ratios, formulas or similar metrics to assist in making allocation decisions when the opportunity being considered may be appropriate for two or more Clients utilizing a similar investment strategy. The factors we consider when determining investment allocations include, but are not limited to:

- (1) investment objectives or strategies for particular accounts;*
- (2) tax considerations of an account;*
- (3) risk, diversification or investment concentration parameters for a Client (including fixed or floating rate requirements, industry categories and credit rating requirements);*
- (4) supply or demand for a security at a given price level;*
- (5) size of available investment;*
- (6) available liquidity (including through borrowings or sales of liquid assets) and liquidity requirements for accounts;*
- (7) regulatory or Client-imposed restrictions;*
- (8) minimum investment size for a Client;*
- (9) relative total assets; and*
- (10) such other factors as may be relevant to a particular transaction.*

However, we will not make investment allocation decisions based on any of the following considerations:

- (1) to unduly favor one Client at the expense of another, including any proprietary or personal accounts of Pennant Park or its employees, over time;*
- (2) to generate higher fees paid by one Client over another or to produce greater performance compensation to Pennant Park;*
- (3) to develop or enhance a relationship with a Client or prospective Client;*
- (4) to compensate a Client for past services or benefits rendered to us or to induce future services or benefits to be rendered to us; and*
- (5) to manage or equalize investment performance among different Clients.*

B. Allocation Procedures

All allocations will be subject, where relevant, to compliance constraints or other factors identified under "Section A. General Principles" above and "Section D. Compliance with Exemptive Relief" below. If the aggregate amount of securities available in an investment

opportunity is less than the amount proposed to be invested by all of our discretionary Clients, each Client will be allocated a pro rata share of the investment opportunity based on the amount of each Client's total assets. All Clients participating in the same investment opportunity will participate on the same terms, conditions, price, class of securities to be purchased, settlement date and registration rights, unless otherwise directed by the Client and permitted by applicable law.

If we, on behalf of a Client, desire to make a "follow-on investment" (i.e., an additional investment in an issuer) in the securities, or to exercise warrants or other rights, of an issuer whose securities were previously acquired and allocated in accordance with this Policy, we will allocate all follow-on investments in the same manner as it would allocate a new investment opportunity, except as otherwise instructed by the Client or required by "Section D. Compliance with Exemptive Relief" below.

If we, on behalf of a Client, desire to sell, exchange, or otherwise dispose of an interest in a security of an issuer that was previously acquired and allocated in accordance with this Policy, we will determine whether the interest in the security should be disposed of by all Clients that hold such interest. If we determines that more than one Client should dispose of the interest, each Client will participate in the disposition on a proportionate basis, based on the amount of the interest available for sale by each Client and the total amount to be sold by all Clients, at the same price and on the same terms and conditions, except as otherwise instructed by the Client or required by "Section D. Compliance with Exemptive Relief" below.

C. Subject to Client Approval

The above requirements are subject to further or overriding instructions from a Client, as specified in the applicable agreement between PennantPark and the Client. As such, a Client may determine not to participate in an investment opportunity identified by us for which the Client would otherwise be eligible. In the event that a Client opts not to participate in an investment opportunity, other Clients shall not be restricted from participating in such opportunity. If a Client does not participate in an initial investment opportunity, we are not required to include such Client in future follow-on investments in such issuer as specified in this Policy.

D. Compliance with Exemptive Relief

To maximize the ability of the Clients to co-invest with each other, PennantPark has obtained exemptive relief from the SEC, which, imposes certain requirements on the terms and allocation of investment opportunities among Clients. PennantPark and the Funds and/or other Clients will comply with all conditions or requirements, including those related to the allocation of investment opportunities, our allocation procedures will be interpreted in light of these conditions.

Item 13: Review of Accounts

We manage our Clients' accounts on a daily basis. In addition, each Client's account is reviewed on an ongoing basis (at least quarterly) to assess performance. The purpose of the review is to

ensure that our investment policies are reflected in the management of the account. The reviewers are: Arthur H. Penn, Investment Committee Chair; Jose A. Briones, Salvatore Giannetti, and P. Whitridge Williams, Investment Committee Members.

As a general policy, we provide the Client with a statement at least quarterly.

Item 14: Client Referrals and Other Compensation

We do not accept economic benefits of any kind from any parties other than our Clients.

Our current agreements with broker-dealers or third parties are placement agreements for our current or proposed funds. If an investor requests a unique portfolio we may create an SMA or similar account and compensate the third party for the referral.

Item 15: Custody

As previously stated, we have been engaged to serve as the investment manager for the Funds. Further, PennantPark Capital, LLC, PennantPark Capital III LLC, PennantPark Senior Capital, LLC, PennantPark Senior Credit Levered, LLC each of which is Delaware limited liability company, are general partners or managing member, as appropriate, of the Funds (the "General Partner") and responsible for managing the business and investments of the Funds. We are an affiliate of the General Partner and, as such, are deemed to have custody of client funds or securities of the Funds.

We generally open accounts with custodians on the Clients' behalf. When we open a custody account on behalf of a Client, we comply with the notification requirements under the Custody Rule, as applicable. We require each qualified custodian to send us copies of Client account statements at least quarterly. We maintain copies of such statements or representations, directly or through an agent, in accordance with our general recordkeeping obligations. We rely on the Client's custodians to also send account statements directly to the Client. We may also send quarterly account statements showing positions and market values. Either we or Client's custodian send notifications and account statements to an independent representative, if so instructed in writing by the Client. We ensure that the independent representative meets the requirements of Rule 206(4)-2(c)(2). Upon determining that the independent representative meets these requirements, account statements and notifications will be sent only to the designated independent representative until such time as the Client may revoke the designation. Independent representatives may not control, be controlled by, or be under common control with PennantPark Investment Advisers, LLC, nor may they have or have had a material business relationship with us within the past two years.

We do not have custody of our BDC Clients' funds or securities.

Item 16: Investment Discretion

Decisions regarding the purchase and sale of securities on behalf of our Clients are deliberated by the investment committee. We have the authority to purchase or sell securities subject to the investment policies and restrictions described in our BDC Clients' registration statement and to the provisions of the Investment Company Act of 1940 applicable to business development

companies, or subject to our Fund Clients' private placement memorandum.

We may cause our Clients to pay a broker-dealer who furnishes brokerage and/or research services a commission that is in excess of the commission another broker-dealer would have received for executing the transaction if it is determined that such commission is reasonable in relation to the value of the brokerage and/or research services which have been provided to PennantPark as a whole. We believe that all such services qualify as bona fide research and trading services under Section 28(e) of the Securities Act of 1934 as amended.

Item 17: Voting Client Securities

We have adopted written proxy voting policies and procedures, as required by Rule 206(4)-6 under the Advisers Act, governing conflict of interest resolution, disclosure, reporting and recordkeeping relating to voting proxies. We vote proxies relating to portfolio securities in what we perceive to be the best interest of our Clients' shareholders. We review on a case-by-case basis each proposal submitted to a shareholder vote to determine its impact on the portfolio securities held by our Client. Although we will generally vote against proposals that may have a negative impact on our

Clients' portfolio securities, we may vote for such a proposal if we believe there exist compelling long-term reasons to do so.

Our proxy voting decisions are made by the senior officers who are responsible for monitoring each of the Client's investments. To ensure that our vote is not the product of a conflict of interest, we require that: (1) anyone involved in the decision making process disclose to the Chief Compliance Officer any potential conflict of which he or she is aware, and any contact that he or she has had with any interested party regarding a proxy vote; and (2) in order to reduce any attempted influence from interested parties, employees involved in the decision making process or vote administration are prohibited from revealing how we intend to vote on a proposal.

On request, we provide our Client a copy of our proxy voting policies and procedures and/or information about how we have voted securities in their account. We do not disclose proxy votes for a Client to other Clients or third parties unless specifically requested, in writing, by the Client. However, to the extent that we may serve as sub-adviser to another adviser to a Client, we will be deemed to be authorized to provide proxy voting records on such accounts to such other adviser.

Item 18: Financial Information

Our fees are assessed and collected in arrears.

There are no financial conditions reasonably likely to impair our ability to meet our contractual commitments to our Clients.