

PennantPark Floating Rate Capital Ltd.

Form 10-Q

May 03, 2012

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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 QUARTER ENDED MARCH 31, 2012

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, 15th Floor New York, N.Y. (Address of principal executive offices)	10022 (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, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer 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
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 issuer's common stock, \$0.001 par value, outstanding as of May 3, 2012 was 6,850,667.

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PENNANTPARK FLOATING RATE CAPITAL LTD.

FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2012

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PART I CONSOLIDATED FINANCIAL INFORMATION

We are filing this 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, Company, we, our or us refer to PennantPark Floating Rate Capital Ltd. and its consolidated subsidiary. PennantPark Investment Advisers or Investment Adviser refers to PennantPark Investment Advisers, LLC. PennantPark Investment Administration or Administrator refers to PennantPark Investment Administration, LLC. References to our portfolio, our investments, our senior secured revolving credit facility, or the Credit Facility, and our business include investments we make through our subsidiary, PennantPark Floating Rate Funding I, LLC, or Funding I.

Table of Contents**Item 1. Consolidated Financial Statements****PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES**

	March 31, 2012 (unaudited)	September 30, 2011
Assets		
Investments at fair value		
Non-controlled, non-affiliated investments, at fair value (cost \$146,227,958 and \$114,829,621, respectively)	\$ 146,188,132	\$ 110,724,241
Cash equivalents (See Note 7)	3,849,360	6,987,450
Interest receivable	1,085,930	732,695
Receivable for investments sold		2,467,500
Prepaid expenses and other assets	50,742	163,374
Total assets	151,174,164	121,075,260
Liabilities		
Distributions payable	513,800	479,547
Payable for investments purchased	2,940,000	990,000
Unfunded investments	2,161,880	2,323,250
Credit Facility payable (cost \$47,800,000 and \$24,650,000, respectively, See Notes 5 and 9)	47,561,000	24,650,000
Interest payable on Credit Facility	342,495	150,246
Management fee payable (See Note 3)	370,352	266,432
Performance-based incentive fees payable (See Note 3)	175,740	
Accrued other expenses	386,592	143,680
Total liabilities	54,451,859	29,003,155
Net Assets		
Common stock, 6,850,667 shares are issued and outstanding.		
Par value \$0.001 per share and 100,000,000 shares authorized.	6,851	6,851
Paid-in capital in excess of par value	97,251,174	97,251,174
Distributions in excess of net investment income	(1,452,769)	(1,392,528)
Accumulated net realized gain on investments	717,875	311,988
Net unrealized depreciation on investments	(39,826)	(4,105,380)
Net unrealized depreciation on Credit Facility	239,000	
Total net assets	\$ 96,722,305	\$ 92,072,105
Total liabilities and net assets	\$ 151,174,164	\$ 121,075,260
Net asset value per share	\$ 14.12	\$ 13.44

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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	Three Months Ended March 31, 2012	Six Months Ended March 31, 2012
Investment income:		
From non-controlled, non-affiliated investments:		
Interest	\$ 2,943,730	\$ 5,410,758
Expenses:		
Base management fee (See Note 3)	370,352	686,197
Performance-base incentive fees payable (Note 3)	175,740	175,740
Interest and expenses on the Credit Facility (See Note 9)	342,496	621,476
Administrative services expenses (See Note 3)	149,624	287,959
Other general and administrative expenses	360,618	719,587
Total expenses	1,398,830	2,490,959
Net investment income	1,544,900	2,919,799
Realized and unrealized gain on investments and Credit Facility:		
Net realized gain on non-controlled, non-affiliated investments	95,712	405,887
Net change in unrealized depreciation on:		
Non-controlled, non-affiliated investments	2,996,463	4,065,554
Credit Facility (appreciation) depreciation (See Note 5)	(112,000)	239,000
Net change in unrealized depreciation on investments and Credit Facility	2,884,463	4,304,554
Net realized and unrealized gain from investments and Credit Facility	2,980,175	4,710,441
Net increase in net assets resulting from operations	\$ 4,525,075	\$ 7,630,240
Net increase in net assets resulting from operations per common share (See Note 6)	\$ 0.66	\$ 1.12
Net investment income per common share	\$ 0.23	\$ 0.43

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents**PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS****(Unaudited)**

	Six Months Ended March 31, 2012
Net increase in net assets resulting from operations:	
Net investment income	\$ 2,919,799
Net realized gain on investments	405,887
Net change in unrealized depreciation on investments	4,065,554
Net change in unrealized depreciation on Credit Facility	239,000
Net increase in net assets resulting from operations	7,630,240
Distributions to stockholders:	
Distributions	(2,980,040)
Total increase in net assets	4,650,200
Net assets:	
Beginning of period	92,072,105
End of period	\$ 96,722,305
Distributions in excess of net investment income, end of period	\$ (1,452,769)

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	Six Months Ended March 31, 2012
Cash flows from operating activities:	
Net increase in net assets resulting from operations	\$ 7,630,240
Adjustments to reconcile net increase in net assets resulting from operations to net cash used by operating activities:	
Net change in unrealized depreciation on investments	(4,065,554)
Net change in unrealized depreciation on Credit Facility	(239,000)
Net realized gain on investments	(405,887)
Net accretion of discount and amortization of premium	(333,296)
Purchase of investments	(72,216,125)
Payment-in-kind interest	(47,292)
Proceeds from dispositions of investments	41,604,263
Decrease in receivable for investments sold	2,467,500
(Increase) in interest receivable	(353,235)
Decrease in prepaid expenses and other assets	112,632
Increase in payables for investments purchased	1,950,000
(Decrease) in unfunded investments	(161,370)
Increase in interest payable on Credit Facility	192,249
Increase in management fee payable	103,920
Increase in performance-based incentive fees payable	175,740
Increase in accrued expenses	242,912
 Net cash used by operating activities	 (23,342,303)
Cash flows from financing activities:	
Distributions paid to stockholders	(2,945,787)
Borrowings under Credit Facility (See Note 9)	54,050,000
Repayments under Credit Facility (See Note 9)	(30,900,000)
 Net cash provided by financing activities	 20,204,213
 Net decrease in cash equivalents	 (3,138,090)
Cash equivalents, beginning of period	6,987,450
 Cash equivalents, end of period	 \$ 3,849,360
Supplemental disclosure of cash flow information and non-cash financing activity (See Note 5):	
Interest paid	\$ 429,227
 Taxes paid	 \$ 842

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Table of Contents**PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED SCHEDULE OF INVESTMENTS****MARCH 31, 2012****(Unaudited)**

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 151.1%^{(3),(4)}							
First Lien Secured Debt 130.6%							
Airvana Network Solutions Inc.	03/25/2015	Telecommunications	10.00%	L+800	785,714	\$ 787,760	\$ 746,429
Aspen Dental Management, Inc.	10/06/2016	Consumer Services	7.00%	L+550	2,992,500	2,947,919	2,970,056
Autoparts Holdings Limited	07/29/2017	Automotive	6.50%	L+500	995,000	990,663	999,975
Blue Coat Systems, Inc.	02/15/2018	High Tech Industries	7.50%	L+600	4,000,000	3,921,389	3,980,000
C.H.I. Overhead Doors, Inc.	08/17/2017	Consumer Goods: Durable	7.27%	L+575	3,980,000	3,907,844	3,960,100
DCS Business Services, Inc.	03/19/2018	Business Services	8.00%	P+475	3,000,000	2,955,160	2,955,000
Document Technologies, Inc.	12/01/2016	Business Services	6.50%	L+500	1,000,000	990,557	995,000
DS Waters of America, Inc.	08/29/2017	Beverage, Food and Tobacco	10.50%	L+900	4,000,000	3,920,851	3,935,000
EAG, Inc.	07/28/2017	Business Services	6.75%	P+350	975,000	970,472	965,250
Fundtech (US FT HOLDCO, INC.)	11/30/2017	Business Services	7.50%	L+600	2,992,500	2,905,553	2,986,889
Global Tel*Link Corporation	12/14/2017	Telecommunications	7.00%	L+550	2,992,500	2,935,337	2,994,370
Gundle/SLT Environmental, Inc.	05/27/2016	Environmental Industries	6.99%	L+550	2,977,500	2,953,133	2,932,838
Harmony Foods Corporation ⁽⁵⁾	05/01/2016	Beverage, Food and Tobacco	10.00%	⁽⁹⁾	2,000,000	2,000,000	2,060,000
HMK Intermediate Holdings LLC	04/01/2019	Retail	7.25%	L+600	3,000,000	2,940,000	2,940,000
IDQ Holdings, Inc. ⁽⁵⁾	04/01/2017	Automotive	11.50%	⁽⁹⁾	2,000,000	1,960,101	2,050,000
Insight Global, Inc.	08/16/2017	Business Services	6.50%	L+500	988,769	984,109	971,465
Instant Web, Inc.	08/07/2014	Media: Advertising, Printing and Publishing	3.62%	L+338 ⁽⁹⁾	6,945,468	6,565,294	6,250,920
K2 Pure Solutions NoCal, L.P.	09/10/2015	Chemicals, Plastics and Rubber	10.00%	P+675	5,476,250	5,519,390	5,421,487
KIK Custom Products Inc. ⁽⁶⁾	05/31/2014	Consumer Goods: Non-Durable	8.50%	L+700	4,962,500	4,848,837	4,881,859
Medpace Intermediateco, Inc.	06/17/2017	Business Services	6.50%	L+500	1,985,000	1,958,287	1,925,450
Mood Media Corporation ⁽⁶⁾	05/06/2018	Media: Diversified and Production	7.00%	L+550	3,970,000	3,935,345	3,870,750
MOSAID Technologies Incorporated ⁽⁶⁾	12/23/2016	High Tech Industries	8.50%	L+700	3,000,000	2,928,463	2,985,000
Penton Media, Inc.	08/01/2014	Media: Diversified and Production	5.00%	L+400	5,496,951	4,805,359	4,358,626
(PIK 1.00%)							
Potter s Holdings II, L.P.	05/08/2017	Containers, Packaging and Glass	6.00%	L+450	1,985,000	1,968,064	1,980,038
Pro Mach, Inc.	07/06/2017	Capital Equipment	6.25%	L+475	992,500	984,001	976,372
Renaissance Learning, Inc.	10/19/2017	Media: Broadcasting and Subscription	7.75%	L+625	1,990,000	1,913,981	1,987,513
Rocket Software, Inc.	02/08/2018	High Tech Industries	7.00%	L+550	3,990,000	3,911,459	3,990,000
Securus Technologies, Inc.	05/31/2017	Telecommunications	5.25%	L+400	2,977,500	2,950,706	2,935,318
Sotera Defense Solutions, Inc.	04/22/2017	Aerospace and Defense	7.00%	L+550	2,977,500	2,952,842	2,947,725
Tank Intermediate Holding Corp.	04/15/2016	Containers, Packaging and Glass	4.75%	L+350	1,811,321	1,808,062	1,806,792

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Tekelec Global, Inc. (First Out)	01/29/2018	Telecommunications	9.00%	L+750	750,000	738,971	750,000
Tekelec Global, Inc. (Second Out)	01/29/2018	Telecommunications	13.50%	L+1,200	1,875,000	1,821,164	1,875,000
Terex Corporation	04/28/2017	Capital Equipment	5.50%	L+400	1,990,000	1,972,905	1,975,075
Triple Point Technology, Inc.	10/30/2017	High Tech Industries	8.00%	L+650	997,500	959,847	996,253
Unifrax I LLC	11/28/2018	Capital Equipment	7.00%	L+550	2,992,500	2,934,992	3,018,610
Univita Health Inc.	06/19/2017	Consumer Services	6.25%	L+475	2,977,500	2,952,122	2,783,963
U.S. Healthworks Holding Company, Inc.	06/15/2016	Healthcare and Pharmaceuticals	6.25%	L+475	2,977,500	2,952,966	2,932,838

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Table of Contents**PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****MARCH 31, 2012****(Unaudited)**

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread		Par/ Shares	Cost	Fair Value (2)
				Above Index (1)				
Valitas Health Services, Inc.	06/02/2017	Healthcare and Pharmaceuticals	5.75%	L+450		1,488,750	\$ 1,482,497	\$ 1,451,531
Vantage Specialties, Inc.	02/09/2018	Chemicals, Plastics and Rubber	7.00%	L+550		3,000,000	2,940,664	3,000,000
Viamedia Services Corp.	04/19/2016	Media: Advertising, Printing and Publishing	7.00%	L+550		4,500,000	4,453,517	4,432,500
Virtual Radiologic Corporation	12/22/2016	Business Services	7.75%	P+450		2,985,000	2,958,806	2,776,050
W3 CO.	10/31/2017	Energy: Oil and Gas	7.50%	L+625		1,995,000	1,919,750	1,975,050
Water Pik, Inc.	08/10/2017	Consumer Goods: Durable	6.75%	L+525		3,482,500	3,450,900	3,473,794
WCA Waste Corporation	03/23/2017	Environmental Industries	5.50%	L+425		1,000,000	990,037	1,002,500
Wound Care (National Healing Corporation)	11/30/2017	Healthcare and Pharmaceuticals	8.25%	L+675		4,987,500	4,748,327	4,812,938
Yonkers Racing Corporation (5)	07/15/2016	Hotel, Gaming and Leisure	11.38%	(9)		4,000,000	4,322,842	4,290,000
Total First Lien Secured Debt							126,721,245	126,306,324
Second Lien Secured Debt 7.4%								
Autoparts Holdings Limited	01/29/2018	Automotive	10.50%	L+900		1,000,000	\$ 995,000	982,500
Mood Media Corporation (6)	11/06/2018	Media: Diversified and Production	10.25%	L+875		1,500,000	1,485,491	1,406,250
ROC Finance LLC and ROC Finance 1 Corp	09/01/2018	Hotel, Gaming and Leisure	12.13%	(9)		2,000,000	1,967,727	2,230,000
Sensus USA Inc.	05/09/2018	Utilities: Water	8.50%	L+725		1,000,000	991,449	995,000
Seven Seas Cruises (5), (6)	05/15/2019	Hotel, Gaming and Leisure	9.13%	(9)		1,500,000	1,500,000	1,522,500
Total Second Lien Secured Debt							6,939,667	7,136,250
Subordinated Debt/Corporate Notes 12.6%								
Affinion Group Holdings, Inc.	11/15/2015	Consumer Goods: Non-Durable	11.63%	(9)		4,100,000	3,755,717	3,710,500
Document Technologies, Inc.	12/01/2017	Business Services	13.00%	(9)		1,000,000	980,000	1,000,000
Lonestar Intermediate Super Holdings, LLC	09/02/2019	Consumer Services	11.00%	L+950		1,500,000	1,455,331	1,517,250
Trusthouse Services Group, Inc.	07/31/2018	Beverage, Food and Tobacco	14.00%	(9)		3,781,731	3,712,668	3,781,730
				(PIK 2.00%)				
Trusthouse Services Group, Inc. (7)	07/31/2018	Beverage, Food and Tobacco		(9)		2,206,000	2,161,880	2,206,000
Total Subordinated Debt/Corporate Notes							12,065,596	12,215,480

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents**PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)****MARCH 31, 2012****(Unaudited)**

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index (1)	Par/Shares	Cost	Fair Value (2)
Preferred Equity/Partnership Interests 0.1%(8)							
Trusthouse Services Holdings, LLC (Trusthouse Services Group, Inc.)		Beverage, Food and Tobacco	12.50%		158	\$ 95,000	\$ 122,104
Common Equity 0.4%(8)							
Titan Private Holdings I, LLC (Tekelec Global, Inc.)		Telecommunications			401,797	401,450	401,797
Trusthouse Services Holdings, LLC (Trusthouse Services Group, Inc.)		Beverage, Food and Tobacco			8	5,000	6,177
Total Common Equity						406,450	407,974
Total Investments in Non-Controlled, Non-Affiliated Portfolio Companies						146,227,958	146,188,132
Cash Equivalents 4.0%					3,849,360	3,849,360	3,849,360
Total Investments and Cash Equivalents 155.1%						\$ 150,077,318	\$ 150,037,492
Liabilities in Excess of Other Assets (55.1)%							(53,315,187)
Net Assets 100.0%							\$ 96,722,305

- (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 Prime or P . All securities are subject to a LIBOR or Prime rate floor where a spread is provided, unless noted.
- (2) Valued based on our accounting policy (see Note 2 to our Consolidated Financial Statements).
- (3) The provisions of the Investment Company Act of 1940, as amended, or 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 deemed as non-controlled when we own less than 25% of a portfolio company s voting securities and controlled when we own 25% or more of a 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 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) Security is exempt from registration under Rule 144A promulgated under the Securities Act of 1933, as amended, or the Securities Act. The security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers.
- (6) Non-U.S. company or principal place of business outside the United States.
- (7) Represents the purchase of a security with delayed settlement (unfunded investment). This security does not have a basis point spread above an index.
- (8) Non-income producing securities.
- (9) Coupon is not subject to a LIBOR or Prime rate floor.

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Table of Contents**PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY****CONSOLIDATED SCHEDULE OF INVESTMENTS****SEPTEMBER 30, 2011**

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread		Par/ Shares	Cost	Fair Value ⁽²⁾
				Above Index ⁽¹⁾				
Investments in Non-Controlled, Non-Affiliated Portfolio Companies 120.2%^{(3),(4)}								
First Lien Secured Debt 102.4%								
Airvana Network Solutions Inc. ⁽⁵⁾	03/25/2015	Telecommunications	10.00%	L+800		1,209,524	\$ 1,213,365	\$ 1,215,571
Artel, LLC ⁽⁵⁾	06/01/2016	Telecommunications	5.50%	L+425		987,500	978,043	972,688
Autoparts Holdings Limited ⁽⁵⁾	07/29/2017	Automotive	6.50%	L+500		1,000,000	995,085	992,500
Chester Downs and Marina, LLC	07/31/2016	Hotel, Gaming and Leisure	12.38%	L+988		478,873	488,220	476,878
C.H.I. Overhead Doors, Inc. ⁽⁵⁾	08/17/2017	Consumer Goods: Durable	7.25%	L+575		4,000,000	3,921,236	3,900,000
EAG, Inc. ⁽⁵⁾	07/28/2017	Business Services	6.75%	P+350		987,500	982,590	967,750
Ernest Health, Inc. ⁽⁵⁾	05/13/2016	Healthcare and Pharmaceuticals	6.25%	L+475		2,966,250	2,939,107	2,936,587
Frac Tech International, LLC	05/06/2016	Energy: Oil and Gas	6.25%	L+475		2,073,930	2,054,330	2,033,747
Gundle/SLT Environmental, Inc. ⁽⁵⁾	05/27/2016	Environmental Industries	7.01%	L+550		2,992,500	2,964,467	2,812,950
Harmony Foods Corporation ^{(11), (6)}	05/01/2016	Beverage, Food and Tobacco	10.00%			2,000,000	2,000,000	1,990,000
Insight Global, Inc. ⁽⁵⁾	08/16/2017	Business Services	6.50%	L+500		2,493,750	2,481,331	2,475,047
Instant Web, Inc. ⁽⁷⁾	08/07/2014	Media: Advertising, Printing and Publishing	3.61%	L+338		6,981,823	6,523,240	6,283,641
K2 Pure Solutions NoCal, L.P. ⁽⁵⁾	09/10/2015	Chemicals, Plastics and Rubber	10.00%	P+675		5,476,250	5,525,637	5,202,437
KAR Auction Services, Inc.	05/19/2017	Automotive	5.00%	L+375		2,992,500	2,978,487	2,895,244
KIK Custom Products Inc. ⁽⁷⁾	05/31/2014	Consumer Goods: Non-Durable	8.50%	L+700		4,987,500	4,847,186	4,713,187
Medpace Holdings, Inc. ⁽⁵⁾	06/17/2017	Business Services	6.50%	L+500		1,995,000	1,966,025	1,895,250
Mood Media Corporation ^{(7), (5)}	05/06/2018	Media: Diversified and Production	7.00%	L+550		3,990,000	3,951,886	3,670,800
Penton Media, Inc.	08/01/2014	Media: Diversified and Production	5.00% ⁽⁸⁾	L+400		5,498,048	4,675,936	3,802,818
Potter s Holdings II, L.P. ⁽⁵⁾	05/08/2017	Containers, Packaging and Glass	6.00%	L+450		1,995,000	1,976,257	1,900,237
Pro Mach, Inc. ⁽⁵⁾	07/06/2017	Capital Equipment	6.25%	L+475		997,500	987,986	982,537
Securus Technologies, Inc. ⁽⁵⁾	05/31/2017	Telecommunications	5.25%	L+400		2,992,500	2,963,597	2,891,503
Select Medical Corporation	06/01/2018	Business Services	5.50%	L+375		2,992,500	2,963,943	2,708,212
Seven Seas Cruises ^{(11), (6), (7)}	05/15/2019	Hotel, Gaming and Leisure	9.13%			3,000,000	3,000,000	2,970,000
Sotera Defense Solutions, Inc. ⁽⁵⁾	04/22/2017	Aerospace and Defense	7.00%	L+550		2,992,500	2,964,848	2,917,688
Tank Intermediate Holding Corp. ⁽⁵⁾	04/15/2016	Containers, Packaging and Glass	5.00%	L+375		1,835,472	1,831,420	1,807,940
Terex Corporation ⁽⁵⁾	04/28/2017	Capital Equipment	5.50%	L+400		2,000,000	1,980,598	1,962,500
Triple Point Technology, Inc. ⁽⁵⁾	04/14/2016	High Tech Industries	6.25%	L+475		4,968,750	4,923,769	4,819,688
Univita Health Inc. ⁽⁵⁾	06/19/2017	Consumer Services	6.25%	L+475		2,992,500	2,964,110	2,827,913
U.S. Healthworks Holding Company, Inc. ⁽⁵⁾	06/15/2016	Healthcare and Pharmaceuticals	6.25%	L+475		2,992,500	2,964,480	2,887,763
Valitas Health Services, Inc. ⁽⁵⁾	06/02/2017	Healthcare and Pharmaceuticals	5.75%	L+450		1,496,250	1,489,223	1,406,475
Viamedia Services Corp.	04/19/2016	Media: Advertising, Printing and Publishing	7.00%	L+550		4,750,000	4,694,273	4,690,625
	12/22/2016	Business Services	7.75%	P+450		2,992,500	2,963,172	2,812,950

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Virtual Radiologic Corporation ⁽⁵⁾

Water Pik, Inc. ⁽⁵⁾	08/10/2017	Consumer Goods: Durable	6.75%	L+525	3,500,000	3,465,501	3,430,000
Yonkers Racing Corporation ^{(11), (6)}	07/15/2016	Hotel, Gaming and Leisure	11.38%		4,000,000	4,355,966	4,080,000

Total First Lien Secured Debt						97,975,314	94,333,126
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SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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PENNANTPARK FLOATING RATE CAPITAL LTD. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF INVESTMENTS (Continued)

SEPTEMBER 30, 2011

Issuer Name	Maturity	Industry	Current Coupon	Basis Point Spread Above Index ⁽¹⁾	Par/ Shares	Cost	Fair Value ⁽²⁾
Second Lien Secured Debt	10.1%						