

PennantPark Enhanced Income Fund

Annual Report

September 30, 2026

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PennantPark Enhanced Income Fund
Management's Discussion of Fund Performance (Unaudited)

Dear Shareholders:

We are pleased to present the first annual report of PennantPark Enhanced Income Fund (the "Fund"), covering the period from December 22, 2025, when the Fund commenced operations, through September 30, 2026.

During this initial period, the Fund's Class I shares generated a total return of 6.12%, including reinvested distributions, outperforming the Bloomberg U.S. Corporate High Yield Index and the Morningstar LSTA U.S. Leveraged Loan 100 Index, by 5.75% and 2.84%, respectively. Classes A and C, which commenced operations on September 2, 2026, generated total returns of 1.15% and 1.11%, respectively, through September 30, 2026. These returns are not annualized. Returns were primarily driven by the interest earned on our investment portfolio.

Our focus during the period was on building a portfolio of primarily BB rated collateralized loan obligation ("CLO") debt investments, diversified by collateral manager and position sizes, consistent with the Fund's investment objective to generate current income and, as a secondary objective, long-term capital appreciation. Our strategy during the year was to invest in what we consider to be the best relative value CLO debt investments across both private credit CLOs and CLOs of broadly syndicated loans. The Fund ended the fiscal year with net assets of approximately $20.9 million and investments in 23 positions across 21 CLO managers. 20.8% of the portfolio consisted of private credit CLO debt positions and 79.2 % of the portfolio consisted of CLO debt positions in broadly syndicated CLOs as of September 30, 2026.

During the respective operating periods, the Fund paid distributions totaling $0.18 per Class I share and $0.18 and $0.18 per Class A and Class C share, respectively, with our first distribution commencing on September 30, 2026. The introduction of Classes A and C expanded the options available to investors accessing the Fund's strategy.

Looking ahead, we remain focused on disciplined investment selection, ongoing portfolio monitoring, and diversifying the portfolio for the benefit of our shareholders.

Thank you for your investment and confidence in PennantPark Enhanced Income Fund. We look forward to serving you in the years ahead.

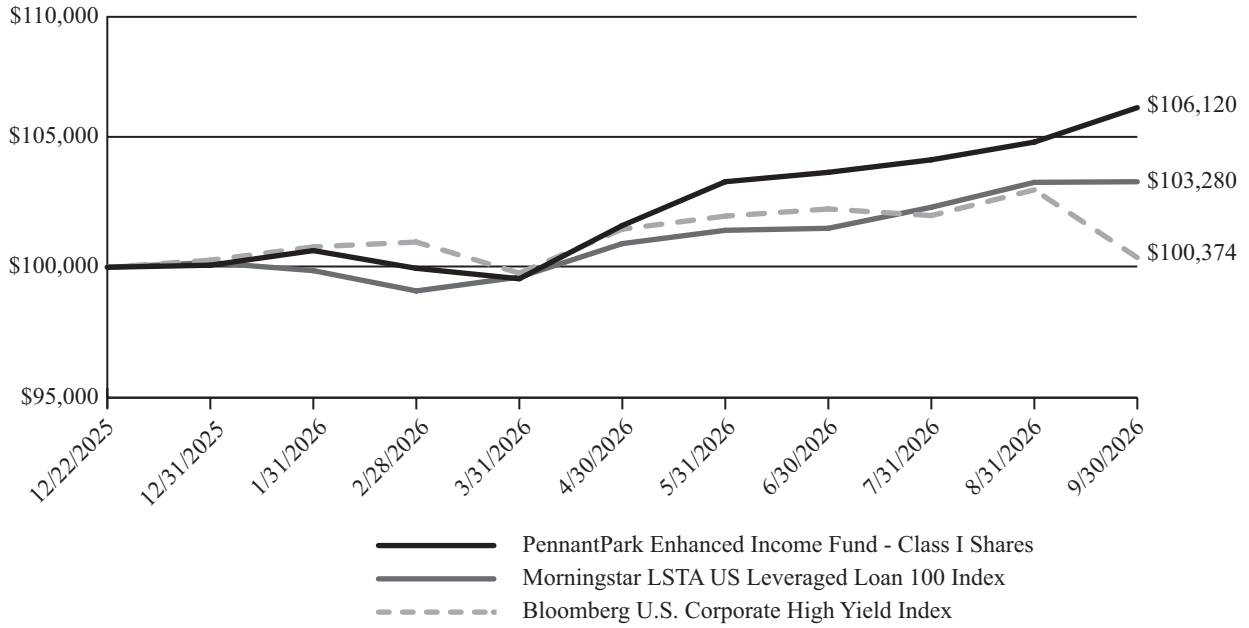
Sincerely,

Arthur H. Penn
Chairman and Chief Executive Officer

Past performance does not guarantee future results. Investment returns and principal value will fluctuate. Distributions are not guaranteed and should not be confused with investment performance.

PennantPark Enhanced Income Fund
Growth of a Hypothetical $100,000 Investment (Unaudited)

Comparison of the Change in Value of a $100,000 Investment in PennantPark Enhanced Income Fund – Class I (since inception on 12/22/25) versus the Bloomberg U.S. Corporate High Yield Index and the Morningstar LSTA U.S. Leveraged Loan 100 Index



The chart above assumes an initial investment of $100,000 in Class I shares at net asset value on December 22, 2025 (commencement of operations). Returns shown include the reinvestment of all dividends but do not reflect the deduction of taxes that a Shareholder would pay on Fund distributions or share repurchases. Performance is net of the Fund's expenses after the fee waiver and expense reimbursement described in the Notes to the Financial Statements. In the absence of fee waivers and reimbursements, when they are necessary to keep expenses at the expense cap, total return would be reduced. Past performance is not predictive of future results. Investment return and principal value will fluctuate so that your shares, when repurchased, may be worth more or less than the original cost. Index returns do not reflect the effect of fees or expenses. It is not possible to invest directly in an index.

PennantPark Enhanced Income Fund
Total Returns[a]
For the fiscal period ended September 30, 2026 (Unaudited)

Share Class	Since Inception
PennantPark Enhanced Income Fund – Class I[b]	6.12%
PennantPark Enhanced Income Fund – Class A[c][d]	1.15%
PennantPark Enhanced Income Fund – Class C[c][e]	1.11%
Bloomberg U.S. Corporate High Yield Index[f]	0.37%
Morningstar LSTA U.S. Leveraged Loan 100 Index[g]	3.28%

(a) The performance data quoted here represents past performance. Current performance may be lower or higher than the performance data quoted above. Investment return and principal value will fluctuate so that shares, when repurchased may be worth more or less than their original cost. Past performance is not a guarantee of future results. Performance figures for periods less than 1 year are not annualized. PennantPark Investment Advisers, LLC (the "Adviser") and PennantPark Enhanced Income Fund (the "Fund") have entered into an expense limitation and reimbursement agreement (the "Expense Limitation Agreement") under which the Adviser has agreed to reimburse expenses of the Fund so that certain of the Fund's expenses (the "Specified Expenses") will not exceed an annual rate of 0.75% of the average daily value of the Fund's net assets (annualized) (the "Expense Cap"). The Fund's total annual operating expenses, before fee waiver and/or reimbursements, were estimated to be 2.29% per the prospectus dated December 16, 2025, as supplemented October 19, 2026. For performance information current to the most recent quarter-end, please call toll-free, (833) 635-6839.

(b) Inception Date: December 22, 2025.

(c) Inception Date: September 2, 2026.

(d) Investors purchasing Class A Shares may be charged a maximum sales load of up to 5.75% of the investment amount.

(e) Class C shares are subject to a contingent deferred sales charge ("CDSC") of 1.00% on any shares repurchased fewer than 365 days after their purchase.

(f) The Bloomberg U.S. Corporate High Yield Index is a market-value-weighted index designed to measure the performance of U.S. dollar-denominated, below investment-grade corporate bonds publicly issued in the U.S. domestic market. The index is unmanaged, does not reflect fees or expenses, and is not available for direct investment.

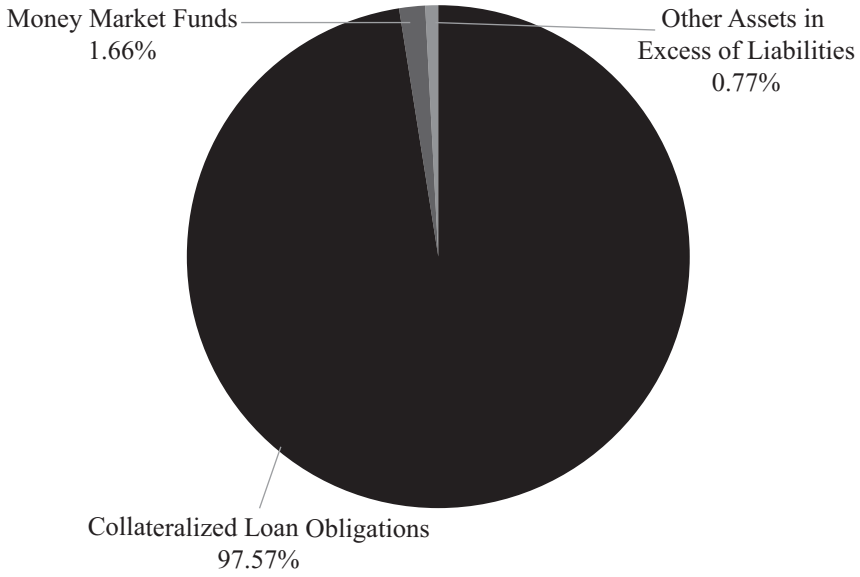
(g) Morningstar LSTA U.S. Leveraged Loan 100 Index is designed to track the performance of the 100 largest institutional leveraged loans, which are loans provided to companies with high levels of debt.

Please read the Fund's Prospectus carefully before investing.

The Fund is not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in equity securities generally or in the Fund in particular or the ability of the Fund to track general equity market performance. THE MORNINGSTAR ENTITIES DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE FUND OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR ENTITIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.

PennantPark Enhanced Income Fund
Portfolio Information
As of September 30, 2026 (Unaudited)

ASSET ALLOCATION (% of Net Assets)*



* Holdings are subject to change.

Percentages are based on net assets of the Fund.

Collateralized Loan Obligations	97.57%
Money Market Funds	1.66%
Other Assets in Excess of Liabilities	0.77%
	100.00%

* *Holdings are subject to change and exclude cash equivalents.*

PennantPark Enhanced Income Fund
Schedule of Investments

September 30, 2026

COLLATERALIZED LOAN OBLIGATIONS – 97.57%	Principal Amount	Fair Value
AGL CLO 2024-30RA E, 10.48%, 4/21/2037 (3MO SOFR + 675bps)[a][b]	$ 1,000,000	$ 958,281
ARES Loan Funding II Ltd. 2022-ALF2A ER2, 9.98%, 10/20/2038 (3MO SOFR + 625bps)[a][b]	1,000,000	942,137
Bain Capital Credit CLO 2024-3A E, 10.04%, 7/16/2037 (3MO SOFR + 625bps)[a][b]	1,000,000	952,616
Barings CLO 2019-3A ERR, 9.58%, 1/20/2036 (3MO SOFR + 585bps)[a][b]	1,000,000	988,143
Birch Grove CLO 2022-4A ER, 10.25%, 7/15/2037 (3MO SOFR + 650bps)[a][b]	1,000,000	980,959
CBAMR 2017-2A ERR, 9.37%, 4/17/2039 (3MO SOFR + 568bps)[a][b]	1,000,000	954,857
Churchill MMSLF CLO 2023-3A ER, 9.98%, 4/20/2038 (3MO SOFR + 625bps)[a][b]	1,000,000	996,230
CQS US CLO 2025-4AR ER, 10.57%, 7/20/2039 (3MO SOFR + 684bps)[a][b]	1,000,000	992,602
Elmwood CLO I Ltd. 2019-1A ER3, 9.68%, 4/20/2037 (3MO SOFR + 595bps)[a][b]	1,000,000	948,464
Fortress Credit Opportunities XXIII CLO 2024-23A ER, 12.25%, 4/15/2038 (3MO SOFR + 850bps)[a][b]	1,250,000	1,256,655
Galaxy 32 CLO Ltd. 2023-32A ER, 9.58%, 1/20/2039 (3MO SOFR + 585bps)[a][b]	1,000,000	996,255
Invesco US CLO 2024-3X E, 10.17%, 7/20/2037 (3MO SOFR + 650bps)[a][b]	1,000,000	960,664
Ivy Hill Middle Market Credit Fund XXV 2026-25A E, 10.58%, 10/20/2039 (3MO SOFR + 675bps)[a][b]	1,000,000	1,004,772
Kennedy Lewis CLO 8A ER2, 10.08%, 1/20/2038 (3MO SOFR + 635bps)[a][b]	1,075,000	1,044,318
MCF CLO 11 LLC 2026-1A E, 10.23%, 4/20/2038 (3MO SOFR + 650bps)[a][b]	1,000,000	996,882
Oaktree CLO 2019-3A ER2, 10.48%, 1/20/2038 (3MO SOFR + 675bps)[a][b]	500,000	494,621
Oaktree CLO 2022-1A ER, 9.75%, 7/15/2038 (3MO SOFR + 600bps)[a][b]	452,000	432,043
Octagon Investment Partners 2020-1A ER2, 9.73%, 1/22/2038 (3MO SOFR + 600bps)[a][b]	890,000	849,611
Rad CLO 9 Ltd. 2020-9A ER, 9.50%, 1/15/2038 (3MO SOFR + 575bps)[a][b]	500,000	466,111
Sixth Street CLO VI 2016-6AR ER3, 9.90%, 7/1/2039 (3MO SOFR + 615bps)[a][b]	1,000,000	1,004,072
Trimaran Cavu 2021-1A ER, 10.75%, 7/23/2037 (3MO SOFR + 700bps)[a][b]	875,000	859,747
Voya CLO 2022-1A ER, 10.63%, 4/20/2035 (3MO SOFR + 690bps)[a][b]	1,000,000	992,015
Voya CLO 2026-1A E, 9.56%, 4/15/2039 (3MO SOFR + 587bps)[a][b]	400,000	410,232
Total Collateralized Loan Obligations (Cost $20,588,363)		20,482,287

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Schedule of Investments (Continued)

September 30, 2026

MONEY MARKET FUNDS – 1.66%	Shares	Fair Value
State Street Institutional U.S. Government Money Market Fund, Premier Class, 3.80%[(c)]	348,881	$ 348,881
Total Money Market Funds (Cost $348,881)		348,881
Total Investments – 99.23% (Cost $20,937,244)		20,831,168
Other Assets in Excess of Liabilities – 0.77%		161,635
NET ASSETS – 100.00%		$ 20,992,803

(a) Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of September 30, 2026. For securities based on a published reference rate and spread, the reference rate and spread (in basis points) are indicated parenthetically. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities, therefore, do not indicate a reference rate and spread.

(b) Security exempt from registration under Rule 144A or Section 4(a)(2) of the Securities Act of 1933. The security may be resold in transactions exempt from registration, normally to qualified institutional buyers.

(c) Rate disclosed is the seven-day effective yield as of September 30, 2026.

Investment Abbreviations:
CLO — Collateralized Loan Obligations
SOFR — Secured Overnight Financing Rate

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Statement of Assets and Liabilities
September 30, 2026

Assets		
Investments in securities, at fair value (cost $20,937,244)	$	20,831,168
Dividend and interest receivable		454,044
Receivable from Adviser		373,634
Prepaid expenses and other assets		15,075
Total assets		21,673,921
Liabilities		
Payable to administrator		206,280
Professional fees		164,914
Legal fees		202,094
Sub-administrator fees		15,500
Accounts payable and accrued expenses		92,330
Total liabilities		681,118
Net Assets	$	20,992,803
Net Assets consist of:		
Paid-in capital	$	20,310,228
Accumulated earnings		682,575
Net Assets	$	20,992,803
Net Asset Value Per Share		
Class I		
Net assets applicable to shares outstanding	$	20,990,780
Shares outstanding (unlimited number of shares authorized, no par value)		796,483
Net asset value per share	$	26.35
Class A[(a)]		
Net assets applicable to shares outstanding	$	1,012
Shares outstanding (unlimited number of shares authorized, no par value)		38
Net asset value per share	$	26.32[(c)]
Maximum offering price per share	$	27.93
Class C[(b)]		
Net assets applicable to shares outstanding	$	1,011
Shares outstanding (unlimited number of shares authorized, no par value)		38
Net asset value per share	$	26.31[(c)]

(a) Investors purchasing Class A Shares may be charged a maximum sales load of up to 5.75% of the investment amount.
(b) Class C shares are subject to a contingent deferred sales charge ("CDSC") of 1.00% on any shares repurchased fewer than 365 days after their purchase.
(c) NAV may not recalculate due to rounding of shares.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Statement of Operations
For the period ended September 30, 2026[(a)]

Investment Income:		
Dividend income	$	19,818
Interest income		874,240
Total investment income		894,058
Expenses		
Administration fees		343,528
Professional fees		165,300
Legal fees		210,269
Management fees		125,852
Incentive fees		134,102
Compliance fees		95,000
Trustee fees		48,750
Transfer agent fees		48,459
Fund accounting fees		28,615
General and Administrative fees		110,693
Total expenses		1,310,568
Expense support from Adviser		(1,050,613)
Management and Incentive Fees waived		(259,954)
Net operating expenses		1
Net Investment Income		894,057
Net Realized and Change in Unrealized Gain/(Loss) on Investments:		
Net realized gain from investment securities transactions		37,062
Net change in unrealized depreciation on investment securities		(106,076)
Net realized and change in unrealized loss on investment securities		(69,014)
Net increase in net assets resulting from operations	$	825,043

(a) For the period December 22, 2025 (commencement of operations) to September 30, 2026.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Statement of Changes in Net Assets

	For the period ended September 30, 2026
Increase In Net Assets Due To Operations:	
Net investment income	$ 894,057
Net realized gain from investment securities transactions	37,062
Net change in unrealized depreciation on investment securities	(106,076)
Net increase in net assets resulting from operations	825,043
Distributions To Shareholders	
Class I	(142,457)
Class A	(7)
Class C	(7)
Total distributions	(142,471)
Capital Transactions – Class I[(a)]	
Proceeds from shares sold	20,075,000
Reinvestment of distributions	133,217
Amount paid for shares redeemed	—
Total – Class I	20,208,217
Capital Transactions – Class A[(b)]	
Proceeds from shares sold	1,000
Reinvestment of distributions	7
Amount paid for shares redeemed	—
Total – Class A	1,007
Capital Transactions – Class C[(b)]	
Proceeds from shares sold	1,000
Reinvestment of distributions	7
Amount paid for shares redeemed	—
Total – Class C	1,007
Net increase in net assets resulting from capital share transactions	20,210,231
Total increase in net assets	20,892,803
Net Assets	
Beginning of period	100,000
End of period	**$ 20,992,803**
Share Transactions – Class I[(a)]	
Shares issued	787,427
Reinvestment of distributions	5,056
Shares redeemed	—
Total – Class I	792,483
Share Transactions – Class A[(b)]	
Shares issued	38
Reinvestment of distributions	—
Shares redeemed	—
Total – Class A	38

PennantPark Enhanced Income Fund
Statement of Changes in Net Assets (Continued)

	For the period ended September 30, 2026
Share Transactions – Class C[(b)]	
Shares issued	38
Reinvestment of distributions	—
Shares redeemed	—
Total – Class C	38
Net increase in share transactions	792,559

(a) For the period December 22, 2025 (commencement of operations) to September 30, 2026.
(b) For the period September 2, 2026 (commencement of operations) to September 30, 2026.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Financial Highlights — Class I

	For the period ended September 30, 2026[a]
Per Share Data:	
Net asset value, beginning of period	$ 25.00
Investment operations:	
Net investment income	2.03[b]
Net realized and unrealized loss on investments	(0.50)
Total from investment operations	1.53
Distributions paid from:	
Net investment income	(0.18)
Net asset value, end of period	$ 26.35
Total return[c]	6.12%[d]
Net assets, end of period (in 000s)	$ 20,991
Ratios To Average Net Assets:	
Ratio of net expenses to average net assets	0.00%[e]
Ratio of gross expenses to average net assets before waiver	14.88%[e]
Ratio of net investment income to average net assets	10.15%[e]
Portfolio turnover rate	19.63%[d]

(a) For the period December 22, 2025 (commencement of operations) to September 30, 2026.
(b) Based on average shares outstanding for the period.
(c) Total return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.
(d) Not annualized.
(e) Annualized.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Financial Highlights — Class A

	For the period ended September 30, 2026[a]
Per Share Data:	
Net asset value, beginning of period	$ 26.21
Investment operations:	
Net investment income	0.21[b]
Net realized and unrealized gains/(losses) on investments	0.08[c]
Total from investment operations	0.29
Distributions paid from:	
Net investment income	(0.18)
Net asset value, end of period	$ 26.32
Total return[d]	1.15%[e]
Net assets, end of period (in 000s)	$ 1
Ratios To Average Net Assets:	
Ratio of net expenses to average net assets	0.00%[f]
Ratio of gross expenses to average net assets before waiver	14.24%[f]
Ratio of net investment income to average net assets	10.36%[f]
Portfolio turnover rate	19.63%[e]

(a) For the period September 2, 2026 (commencement of operations) to September 30, 2026.
(b) Based on average shares outstanding for the period.
(c) The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and redemptions of Fund shares in relation to income earned, class specific expense structure, and/or fluctuating market value of the investments of the Fund.
(d) Total return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.
(e) Not annualized.
(f) Annualized.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Financial Highlights — Class C

	For the period ended September 30, 2026[a]
Per Share Data:	
Net asset value, beginning of period	$ 26.21
Investment operations:	
Net investment income	0.18[b]
Net realized and unrealized gains/(losses) on investments	0.10[c]
Total from investment operations	0.28
Distributions paid from:	
Net investment income	(0.18)
Net asset value, end of period	$ 26.31
Total return[d]	1.11%[e]
Net assets, end of period (in 000s)	$ 1
Ratios To Average Net Assets:	
Ratio of net expenses to average net assets	1.30%[f]
Ratio of gross expenses to average net assets before waiver	14.25%[f]
Ratio of net investment income to average net assets	9.07%[f]
Portfolio turnover rate	19.63%[e]

(a) For the period September 2, 2026 (commencement of operations) to September 30, 2026.
(b) Based on average shares outstanding for the period.
(c) The amount shown for a share outstanding throughout the year may not correlate with the Statement of Operations for the year due to the timing of sales and redemptions of Fund shares in relation to income earned, class specific expense structure, and/or fluctuating market value of the investments of the Fund.
(d) Total return represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.
(e) Not annualized.
(f) Annualized.

See accompanying notes which are an integral part of these financial statements.

PennantPark Enhanced Income Fund
Notes to the Financial Statements
September 30, 2026

1. ORGANIZATION

PennantPark Enhanced Income Fund (the "Fund") was organized as a Delaware statutory trust on July 8, 2025 and commenced operations on December 22, 2025. The Fund is registered under the Investment Company Act of 1940, as amended, (the "1940 Act") as a non-diversified, closed-end management investment company. The common shares of beneficial interest of the Fund (the "Shares") are continuously offered under Rule 415 under the Securities Act of 1933, as amended. The Fund operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act and has adopted a fundamental policy to conduct quarterly repurchase offers at net asset value ("NAV"). PennantPark Investment Advisers, LLC (the "Adviser") serves as the Fund's investment adviser.

The Fund's investment objective is to generate current income and, as a secondary objective, long-term capital appreciation.

The Fund currently offers Class I, Class A and Class C shares. Class I shares have a minimum initial investment of $100,000. In October 2026, the Class I shares' minimum initial investment was reduced to $50,000. Class I shares are offered on a continuous basis at the net asset value ("NAV") per share. The required minimum initial investment for Class A and Class C shares of the Fund is $2,500. Class A shares have a maximum sales charge of 5.75% on the amount invested. Class C shares are subject to a contingent deferred sales charge ("CDSC") of 1.00% on any shares repurchased fewer than 365 days after their purchase.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Fund is an investment company under U.S. GAAP and follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946.

In accordance with ASC Topic 280 — Segment Reporting, the Fund has determined that it has a single reporting segment and operating unit structure. As a result, the Fund's segment accounting policies are the same as described herein and the Fund does not have any intra-segment sales and transfers of assets.

The Fund operates through a single operating and reporting segment with an investment objective to generate current income and, as a secondary objective, long-term capital appreciation. The chief operating decision maker ("CODM") is comprised of the Fund's Chief Executive Officer and Chief Financial Officer. The CODM assesses the performance and makes operating decisions of the Fund on a consolidated basis primarily based on the Fund's net increase (decrease) in net assets resulting from operations ("Net Income") and net investment income ("NII"). The CODM utilizes Net Income and NII as the key metrics in determining the amount of dividends to be distributed to the Fund's shareholders. As the Fund's operations consist of a single reporting segment, the segment assets are reflected on the accompanying Statement of Assets and Liabilities as "total assets" and significant segment expenses are listed on the accompanying Statement of Operations.

Estimates

The preparation of the Fund's financial statements in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amount of the Fund's assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported periods. In the opinion of management, all adjustments, which are of a normal recurring nature, considered necessary for the fair presentation of financial statements have been included. Changes in the economic and regulatory environment, financial markets, the credit worthiness of the Fund's portfolio companies and any other parameters used in determining these estimates and assumptions could cause actual results to differ from these estimates and assumptions.

Security Valuation

The Adviser determines the NAV of the Fund's shares daily, as of the close of regular trading (normally, 4:00 p.m., Eastern time) on each day that the New York Stock Exchange is open for business.

The 1940 Act requires the Fund to determine the value of its portfolio securities using market quotations when "readily available," and when market quotations are not readily available, portfolio securities must be valued at fair value, as determined in good faith by the Fund's board of trustees (the "Board"). As permitted by Rule 2a-5 under the 1940 Act, the Board has designated the Adviser as the Fund's valuation designee ("Valuation Designee") to perform fair value determinations relating to all portfolio investments. The Adviser carries out its designated responsibilities as Valuation Designee through various teams pursuant to the Valuation Policy and Procedures, which govern the Valuation Designee's selection and application of methodologies and independent pricing services for determining and calculating the fair value of portfolio investments. The Valuation Designee will fair value portfolio investments utilizing inputs from various external and internal sources including, but not limited to, independent pricing services, dealer quotation reporting systems, independent third-party valuation firms and proprietary information. When determining the fair value of an investment, one or more fair value methodologies may be used. Fair value determinations will be based upon all available factors that the Valuation Designee deems relevant at the time of the determination.

It is the policy of the Fund to value its portfolio securities using market quotations when readily available. If market quotations are not readily available, securities or other assets will be valued at their fair market value as determined using the valuation methodologies approved by the Board.

The Fund generally uses market quotations to assess the value of the Fund's investments for which market quotations are readily available. If the Fund has a bona fide reason to believe any such market quote does not reflect the fair value of an investment, it may independently value such investments by using the valuation procedure that it uses with respect to assets for which market quotations are not readily available.

Debt and equity investments that are not publicly traded or whose market prices are not readily available are valued at fair value as determined in good faith by or under the direction of the Board, or the Adviser, as applicable. Such determination of fair values involves subjective judgments and estimates. Investments purchased within 60 days of maturity will be valued at cost plus accreted discount, or minus amortized premium, which approximates value. With respect to unquoted securities, the Board, or the Adviser, as applicable, together with its independent third party valuation firms, values each investment considering, among other measures, discounted cash flow models, comparisons of financial ratios of peer companies that are public and other factors.

The Fund invests primarily in the junior debt tranches of collateralized loan obligations ("CLOs") with a particular emphasis on CLO debt tranches initially rated 'BB' by a National Recognized Statistical Rating Organization ("NRSRO"). Debt tranches rated BB are below investment grade or "junk". To a lesser extent, the Fund may invest in other CLO debt securities, CLO equity or other debt securities, including, but not limited to, loan accumulation facilities, securities issued by other securitization vehicles (such as credit-linked notes, collateralized bond obligations, revolver CLOs, rated feeder funds, and collateralized fund obligations), corporate bonds, corporate loans, and synthetic investments, such as significant risk transfer securities and credit risk transfer securities issued by banks or other financial institutions, which may be of any credit quality, as consistent with the Fund's investment objectives. In valuing such investments, the Adviser considers a number of factors, including: 1) the indicative prices provided by a recognized, independent third-party industry pricing service, and the implied yield of such prices; 2) recent trading prices for specific investments; 3) recent purchases and sales known to the Adviser in similar securities; and 4) the indicative prices for specific investments and similar securities provided by the broker who arranges transactions in such CLOs.

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

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

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

Distributions to Shareholders

The Fund normally declares and pays ordinary cash distributions on a monthly basis. Distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses. To the extent that any portion of the Fund's monthly distributions is considered a return of capital to shareholders, such portion would not be considered dividends for U.S. federal income tax purposes and would represent a return of the amounts that such shareholders invested.

Federal Income Taxes

The Fund intends to operate so as to qualify and elect to be treated as a regulated investment company ("RIC") in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") for its fiscal and taxable year ending September 30, 2026. The Fund intends to qualify annually thereafter as a RIC. To qualify as a RIC, the Fund must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute at least 90% of its investment company taxable income each year to its shareholders.

In this regard, the Fund accounts for income taxes using the asset and liability method prescribed by ASC Topic 740, Income Taxes ("ASC 740"). Under this method, income taxes are provided for amounts currently payable and for amounts deferred as tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Based upon the Fund's expected qualification and election to be treated as a RIC for U.S. federal income tax purposes, the Fund typically does not incur any material federal income taxes. However, the Fund may choose to retain a portion of its calendar year income, which may result in the imposition of a federal excise tax.

As of and during the period ended September 30, 2026, the Fund did not have any liabilities for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations when incurred. During the period, the Fund did not incur any interest or penalties. Management of the Fund has reviewed tax positions taken in tax years that remain subject to examination by all major tax jurisdictions, including federal (i.e., the interim tax period since then, as applicable) and has concluded that no provision for unrecognized tax benefits or expenses is required in these financial statements and does not expect this to change over the next twelve months.

Cash and Cash Equivalents

Idle cash may be swept into interest bearing overnight demand deposits and is classified as a cash equivalent on the Statement of Assets and Liabilities. The Fund maintains cash in the bank deposit accounts which, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. Amounts swept overnight are available on the next business day.

Organizational and Offering Costs

The Adviser is responsible for payment of any and all organization and offering expenses incurred in connection with the initial public offering of shares. The Adviser will not seek or be entitled to reimbursement from the Fund for any such organization and offering expenses.

3. FAIR VALUE MEASUREMENTS

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

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

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

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Fund's investments as of September 30, 2026, based on the three levels defined previously:

Assets	Level 1	Level 2	Level 3[(1)]	Total
Collateralized Loan Obligations	$ —	$ 20,482,287	$ —	$ 20,482,287
Money Market Funds	348,881	—	—	348,881
Total Investments	$ 348,881	$ 20,482,287	$ —	$ 20,831,168

(1) The Fund did not hold any Level 3 securities during the period.

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

In addition to using the above inputs to value cash equivalents and investments, the Fund employs the valuation policy approved by the Board that is consistent with ASC 820. The Board has designated the Adviser as the Fund's Valuation Designee to perform fair value determinations. The Valuation Designee evaluates the source of inputs, including the markets in which investments are trading, in determining fair value. See Note 2.

4. AGREEMENTS AND RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

The Fund has entered into an investment advisory agreement (the "Investment Advisory Agreement") with the Adviser.

Under the Investment Advisory Agreement, the Adviser, subject to the overall supervision of the Board, manages the day-to-day operations of and provides investment advisory services to the Fund. For providing these services, the Adviser receives a fee from the Fund, consisting of two components — a base management fee and an incentive fee.

Base Management Fee

The base management fee ("Base Management Fee") will be calculated at an annual rate of 1.25% of the Fund's average daily gross assets during such period and is payable monthly in arrears. Base Management Fees for any partial month will be appropriately pro-rated. For the fiscal period ended September 30, 2026, the Fund recorded net Base Management Fees of $0, comprised of gross Base Management Fees of $125,852, net of management fees waived by the Adviser of $125,852.

Incentive Fee

The incentive fee is calculated and payable quarterly in arrears based on the Fund's "Pre-Incentive Fee Net Investment Income" for the immediately preceding calendar quarter. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income accrued during the calendar quarter, minus the Fund's operating expenses for the quarter (including the Base Management Fee, any expenses payable under the Administration Agreement (as defined below), and any interest expense or amendment fees under any credit facilities and distribution paid on any issued and outstanding preferred stock, but excluding the incentive fee and any shareholder servicing and/or distribution fees). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as OID, debt instruments with PIK interest and zero coupon securities), accrued income not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, computed net of all realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Net Investment Income, expressed as a percentage of the value of the Fund's net assets at the end of the immediately preceding calendar quarter, is compared to the hurdle rate of 1.75% per quarter (7.00% annualized).

The Fund pays the Adviser an incentive fee with respect to Pre-Incentive Fee Net Investment Income in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 1.75%, (2) 100% of Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the hurdle rate but is less than 2.0588% in any calendar quarter (8.2353% annualized), and (3) 15.00% of the amount of Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.0588% in any calendar quarter. These calculations are pro-rated for any share issuances or repurchases during the relevant quarter, if applicable. For the fiscal period ended September 30, 2026, the Fund recorded net Incentive fees of $0, comprised of gross incentive fees of $134,102 net of incentive fees waived by the Adviser of $134,102.

Management Fee Waiver Agreement

The Fund has entered into a management fee waiver agreement with the Adviser (the "Management Fee Waiver"). In November 2026, the Management Fee Waiver was extended through December 31, 2027. The Adviser has agreed to fully waive Base Management Fees and Incentive Fees payable to the Adviser under the Investment Advisory Agreement through December 31, 2027. The Adviser may amend or terminate the Management Fee Waiver, subject to approval of the Board.

The Base Management Fees and Incentive Fees payable by the Fund after the termination of the Management Fee Waiver will be calculated as discussed above. The fees waived pursuant to the Management Fee Waiver are not subject to recoupment by the Adviser.

For the fiscal period ended September 30, 2026, the Adviser waived management fees and incentive fees of $125,852 and $134,102, respectively.

Administration Agreement

The Fund has entered into an administration agreement (the "Administration Agreement") with PennantPark Investment Administration, LLC (the "Administrator") to provide administrative services and office facilities to the Fund. For providing these services, facilities and personnel, the Fund has agreed to reimburse the Administrator for its allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, including rent, technology systems, insurance and the Fund's allocable portion of the cost of compensation and related expenses of the Fund's Chief Compliance Officer, Chief Financial Officer, Corporate Counsel and their respective staffs.

Under the Administration Agreement, the Administrator may be reimbursed by the Fund for the costs and expenses to be borne by the Fund set forth above to include the costs and expenses allocable with respect to the provision of in-house legal, tax, or other professional advice and/or services to the Fund, including performing due diligence on its prospective portfolio companies as deemed appropriate by the Administrator, where such in-house personnel perform services that would be paid by the Fund if outside service providers provided the same services, subject to the Board's oversight.

Pursuant to a sub-administration services agreement between the Administrator and Ultimus Fund Solutions, LLC ("Ultimus") (the "Sub-Administration Agreement"), Ultimus serves as the sub-administrator of the Fund and is paid by the Administrator.

Accounting Agent and Transfer Agent Agreement

Ultimus provides certain accounting and transfer agency services to the Fund pursuant to a master services agreement between the Fund and Ultimus (the "Master Services Agreement").

Distribution and Servicing Agreement

Ultimus Fund Distributors, LLC (the "Distributor") serves as principal underwriter to the Fund and acts as the distributor of the Fund's shares. Pursuant to a distribution agreement with the Fund (the "Distribution Agreement"), the Distributor will act on a reasonable efforts basis, subject to various conditions. The Distributor is a wholly-owned subsidiary of Ultimus. The Distributor is compensated by the Adviser (not the Fund) for acting as principal underwriter.

The Fund has adopted a distribution and servicing plan for its Class A shares and Class C shares (the "Distribution and Servicing Plan") and pays the Distribution Fee and/or Shareholder Servicing Fee, as applicable, with respect to its Class A shares and Class C shares. The Distribution and Servicing Plan operates in a manner consistent with Rule 12b-1 under the 1940 Act. Class A shares pay a Shareholder Servicing Fee at an annual rate of 0.25%, based on the aggregate net assets of the Fund attributable to Class A shares. For purposes of determining the Shareholder Servicing Fee, net asset value will be calculated prior to any reduction for any fees and expenses, including, without limitation, the Shareholder Servicing Fee payable. Class C shares pay a Distribution Fee at an annual rate of 0.75% and Shareholder Servicing Fee at an annual rate of 0.25%, based on the aggregate net assets of the Fund attributable to

Class C shares. For purposes of determining the Distribution Fee and Shareholder Servicing Fee, net asset value will be calculated prior to any reduction for any fees and expenses, including, without limitation, the Distribution Fee and Shareholder Servicing Fee payable.

Expense Limitation and Reimbursement Agreement

The Fund has entered into an Expense Limitation and Reimbursement Agreement (the "Expense Limitation Agreement") with the Adviser. Pursuant to the Expense Limitation Agreement the Adviser has agreed to reimburse expenses of the Fund so that certain of the Fund's expenses (the "Specified Expenses") will not exceed an annual rate of 0.75% of the Fund's average daily value of the net assets (on an annualized basis) (the "Expense Limitation").

Specified Expenses is defined to include all expenses incurred in the business of the Fund, other than (i) the Base Management Fee, (ii) the Incentive Fee, (iii) the distribution fee and/or shareholder servicing fee, (iv) brokerage costs, (v) dividend/interest payments (including any dividend payments, interest expenses, commitment fees, or other expenses related to any leverage incurred by the Fund), (vi) taxes, (vii) extraordinary expenses (as determined in the sole discretion of the Adviser), and (viii) Acquired Fund Fees and Expenses.

The Fund has agreed to repay the amount reimbursed by the Adviser when and if requested by the Adviser, as promptly as possible, on a quarterly basis, but only if and to the extent that such reimbursement does not cause the Fund's Specified Expenses plus recoupment to exceed an annual rate of 0.75% of the average daily value of the Fund's net assets (or, if a lower expense limit is in effect, such lower limit) within the 36-month period after the Adviser bears the expense ("Excess Expenses"). In November 2026, the Expense Limitation Agreement was extended through December 31, 2027. Unless renewed by the Adviser, the Expense Limitation Agreement will terminate on December 31, 2027.

The Adviser may recapture all or a portion of this amount no later than the dates stated below, pursuant to the terms of the Expense Limitation Agreement.

Quarter Ended	Expense support from the Adviser	Reimbursement Payments to the Adviser	Unreimbursed Expense support	Eligible for Reimbursement Through
December 31, 2025	$ 39,596	$ —	$ 39,596	December 31, 2028
March 31, 2026	312,877	—	312,877	March 31, 2029
June 30, 2026	324,507	—	324,507	June 30, 2029
September 30, 2026	373,633	—	373,633	September 30, 2029
Total	**$ 1,050,613**	**$ —**	**$ 1,050,613**	

5. PORTFOLIO INFORMATION

For the period ended September 30, 2026, purchases and sales of investment securities, other than short-term investments, were as follows:

Purchases	Sales
$ 23,610,309	$ 3,069,176

6. FEDERAL TAX INFORMATION

For the fiscal year ended September 30, 2026, the Fund made the following reclassifications to increase (decrease) the components of net assets:

Paid-In Capital	Accumulated Earnings (Deficit)
(3)	3

At September 30, 2026, the net unrealized appreciation (depreciation) and tax cost of investments, for tax purposes were as follows:

Gross unrealized appreciation	$	111,952
Gross unrealized depreciation		(218,028)
Net unrealized depreciation on Investments	$	(106,076)
Tax cost of investment	$	20,937,244

The tax character of distributions paid to Shareholders during the tax year ended September 30, 2026, was as follows:

Distributions paid from:		
Ordinary income	$	142,471
Total distributions paid	$	142,471

As of the tax year ended September 30, 2026, the components of accumulated earnings (deficit) on a tax basis were as follows:

Undistributed ordinary income	$	788,651
Unrealized depreciation		(106,076)
Total accumulated earnings	$	682,575

The Fund has adopted FASB Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to enhance transparency and decision usefulness of income tax disclosures including additional detail related to rate reconciliation and income taxes paid during the reporting period. For the fiscal period ended September 30, 2026, there were no federal, state or local income taxes or any income taxes in foreign jurisdictions paid by the Fund.

7. RISK FACTORS

CLO Investment Risk

The Fund invests primarily in the junior debt tranches of CLOs with a particular emphasis on CLO debt tranches initially rated 'BB' by a NRSRO. Debt tranches rated BB are considered below investment grade or "junk". A portion of CLOs in which the Fund invests may be backed primarily by loans to middle market companies (or hold significant portions thereof). The Adviser defines "middle market" to generally mean companies with EBITDA of between approximately $10 million and $50 million. The Board has the authority to modify or waive the Fund's current operating policies, investment criteria and strategies without prior notice and without shareholder approval. The Fund's investment objective, however, may also be changed by the Board, and such changes to the investment objective, current operating policies, investment criteria and strategies would have on the Fund's business, NAV, operating results or the value of its shares is unpredictable. However, the effects might be adverse, which could negatively impact the Fund's ability to pay distributions and cause a Fund shareholder to lose all or part of its investment. Finally, since the Fund's shares are not listed on a national securities exchange, a Fund shareholder will be limited in its ability to sell its shares in response to any changes in the Fund's investment objective, operating policies, investment criteria or strategies.

Global Economic, Regulatory and Market Risk

Downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with the Fund's portfolio and the ability to access the capital markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on the Fund's performance and the value of its shares.

Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to the Fund's investments. Natural disasters, public health emergencies (including pandemics and epidemics) and other global events of force majeure can negatively affect the Fund's investments. Such events can cause unemployment and economic downturns within an industry or a geographic region in which the Fund invests. They can also directly disrupt the operations, cash flows and overall financial condition of an issuer in which the Fund invests.

Interest Rate Risk

Rising interest rates may adversely affect the value of the Fund which could have an adverse effect on the Fund's business, financial condition and results of operations. The Fund's debt investments may be based on floating rates, such as SOFR. General interest rate fluctuations may have a substantial negative impact on the Fund's investments, the value of the Fund's shares and the Fund's rate of return on invested capital. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on the Fund's net interest income. An increase in interest rates could decrease the value of any investments the Fund holds which earn fixed interest rates, including subordinated loans, senior and junior secured and unsecured debt securities and loans and high yield bonds, and also could increase the Fund's interest expense, thereby decreasing the Fund's net income. Also, an increase in interest rates available to investors could make investment in the Fund's shares less attractive if the Fund is not able to increase its distribution rate, which could reduce the value of its shares.

Because the Fund may borrow funds and may issue preferred shares to finance investments, the net investment income may depend, in part, upon the difference between the rate at which the Fund borrows or pays distributions on preferred shares and the rate that the Fund's investments yield. There is no guarantee that a significant change in market interest rates will not have a material adverse effect on the Fund's net investment income. In periods of rising interest rates, costs would increase except to the extent the Fund has issued fixed rate debt or preferred shares, which could reduce the Fund's net investment income.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the Fund's investments may not keep pace with inflation, which may result in losses to shareholders. As inflation increases, the real value of shares and dividends therefore may decline. In addition, during any periods of rising inflation, interest rates of any debt securities issued by the Fund would likely increase, which would tend to further reduce returns to shareholders. This risk is greater for fixed-income instruments with longer maturities.

For information regarding additional risk factors that could affect results of operations, financial condition and liquidity, see the risk factors discussed under the heading "Risk Factors" in the registration statement on Form N-2 (the "Registration Statement") filed with the SEC on July 24, 2025, as amended November 17, 2025 and December 9, 2025. There have been no material changes to the risk factors previously disclosed in the Registration Statement. Additional risks and uncertainties that are not currently known to the Fund or that the Fund currently deems to be immaterial also may adversely affect the Fund's business, financial condition and/or operating results.

8. DISTRIBUTION REINVESTMENT PLAN

The Board approved the establishment of a distribution reinvestment program (the "DRIP"). Under the DRIP, cash distributions paid to participating stockholders are reinvested in Shares at a price equal to the NAV per share of the Shares as of such date.

9. BENEFICIAL OWNERSHIP OF FUND SHARES

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of the Fund creates a presumption of control under Section 2(a)(9) of the 1940 Act. As of September 30, 2026, PennantPark Private Holdings, LP owned 94% of the voting securities of the Fund.

10. DEBT

Repurchase Obligations

On October 19, 2026, the Fund entered into a Master Repurchase Agreement (the "MRA") with Royal Bank of Canada ("RBC"). The MRA permits the Fund to act as either buyer or seller in repurchase transactions. The Fund currently intends to utilize the MRA primarily as a financing arrangement, acting as seller, whereby it may from time to time transfer investments to RBC in exchange for cash and agree to repurchase such investments at a specified future date and price.

11. COMMITMENTS AND CONTINGENCIES

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

12. REPURCHASE OFFERS

Pursuant to Rule 23c-3 under the 1940 Act, the Fund offers shareholders on a quarterly basis the option of redeeming shares, at net asset value, of no less than 5% and no more than 25% of the shares outstanding. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer, although each shareholder will have the right to require the Fund to purchase up to and including 5% of such shareholder's shares in each quarterly repurchase. Limited liquidity will be provided to shareholders only through the Fund's quarterly repurchases.

During the fiscal period ended September 30, 2026, the Fund had the following quarterly repurchase offer.

	Repurchase Offer #1	Repurchase Offer #2
Commencement date	April 14, 2026	July 7, 2026
Repurchase request deadline	May 12, 2026	August 11, 2026
Repurchase pricing date	May 12, 2026	August 11, 2026
Value of shares repurchased	$ —	$ —
Shares repurchased	—	—

13. INDEMNIFICATION

Except as otherwise provided in the Declaration of Trust, the Fund will indemnify and hold harmless any current or former Trustee or officer of the Fund against any liabilities and expenses (including reasonable attorneys' fees relating to the defense or disposition of any action, suit or proceeding with which such person is involved or threatened), while and with respect to acting in the capacity of a trustee or officer of the Fund, except with respect to matters in which such person did not act in good faith in the reasonable belief that his or her action was in the best interest of the Fund, or in the case of a criminal proceeding, matters for which such person had reasonable cause to believe that his or her conduct was unlawful. In accordance with the 1940 Act, the Fund will not indemnify any Trustee or officer for any liability to which such person would be subject by reason of his or her willful misfeasance, bad faith, gross negligence or reckless disregard of the duties of his or her position. The Fund will provide indemnification to Trustees and officers prior to a final determination regarding entitlement to indemnification as described in the Declaration of Trust.

14. RECENT ACCOUNTING PRONOUNCEMENT

In September 2026, FASB issued Accounting Standards Update ("ASU") 2026-03, Fair Value Measurement (Topic 820): Investment Companies with Equity Securities Subject to Contractual Sale Restrictions. It requires investment companies within the scope of ASC 946 to consider contractual sale restrictions when measuring the fair value of equity securities in accordance with ASC 820 and to provide enhanced disclosures regarding any discount applied as a result of such restrictions. ASU 2026-03 is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted for all entities. Management is evaluating the impacts of these changes on the financial statements.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were issued. The Fund has concluded that there are no events requiring adjustment or disclosure in the financial statements, other than those previously disclosed.

PennantPark Enhanced Income Fund
Report of Independent Registered Public Accounting Firm

Board of Trustees and Shareholders
PennantPark Enhanced Income Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of PennantPark Enhanced Income Fund (the Fund), including the schedule of investments, as of September 30, 2026, the related statements of operations and changes in net assets for the period from December 22, 2025 (commencement of operations) to September 30, 2026, and the related notes to the financial statements (collectively, the financial statements), and the financial highlights for the period from December 22, 2025 (commencement of operations) to September 30, 2026. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of September 30, 2026, the results of its operations, changes in net assets, and financial highlights for the period from December 22, 2025 (commencement of operations) to September 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements and financial highlights based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of securities owned as of September 30, 2026, by correspondence with the custodian. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audit provide a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the auditor of one or more PennantPark Investment Advisers, LLC's advised entities since 2013.

Denver, Colorado
November 23, 2026

TRUSTEES' AND OFFICERS' BIOGRAPHICAL DATA

We have divided the trustees into two groups — Interested Trustees and Independent Trustees. The address for each Trustee is c/o PennantPark Enhanced Income Fund, 1691 Michigan Avenue, Miami Beach, FL 33139, unless otherwise noted. Information regarding the members of the Board is as follows:

Interested Trustee

Name and Age	Position(s) Held with the Fund; Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex[2] Overseen by Trustee	Other Directorships Held by Trustee in the Past 5 Years
Arthur H. Penn (62)*	Trustee (Since Inception) Chief Executive Officer (Since Inception) Chairperson of the Board (Since Inception)	Founder, Chairman and Chief Executive Officer to the funds in the Fund Complex.[2] Mr. Penn also is the Founder and Managing Member of the Adviser. Previously, Mr. Penn was the Co-Founder of Apollo Investment Management, where he was a Managing Partner from 2004 to 2006. He also served as Chief Operating Officer of Apollo Investment Corporation from inception in 2004 to 2006 and served as President and Chief Operating Officer in 2006. He formerly was a Managing Partner of Apollo Value Fund L.P. (formerly Apollo Distressed Investment Fund, L.P.) from 2003 to 2006.	Four	None
José A. Briones, Jr. (55)*	Trustee (Since Inception)	Mr. Briones joined the Adviser in December 2009 and is a Senior Partner. Before joining the Adviser, Mr. Briones was a Partner of Apollo Investment Management, L.P. and a member of its investment committee since 2006. Before that, he was a Managing Director with UBS Securities LLC in the Financial Sponsors and Leveraged Finance Group from 2001 to 2006. Before joining UBS, he was a Vice President with JP Morgan in the Global Leveraged Finance Group from 1999 to 2001. From 1992 to 1999, Mr. Briones was a Vice President at BT Securities and BT Alex Brown Inc. in the Corporate Finance Department.	Four	AKW Holdings Limited, since 2018; Marketplace Events LLC, Chairman of the Board, from 2020 to 2024; MSpark, LLC, Chairman of the Board and President, from 2020 to 2024; PT Networks Intermediate Holdings, LLC, from 2019 to 2022; Flock Financial, LLC, since 2024; Metropolitan YMCA of the Oranges (NJ), since 2022.

* *Such individual is an interested person of the Fund (as defined in the 1940 Act) (an "Interested Trustee") because of his position with PennantPark.*

(1) Each Trustee serves during the continued lifetime of the Fund and will not be subject to a term limit.

(2) The term "Fund Complex" includes the Fund, PennantPark Floating Rate Capital, PennantPark Investment Corporation and PennantPark Private Income Fund.

Independent Trustee

Name and Age	Position(s) Held with the Fund; Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex[2] Overseen by Trustee	Other Directorships Held by Trustee in the Past 5 Years
Adam K. Bernstein (62)	Trustee (Since Inception)	President of The Bernstein Companies, a Washington, D.C.-based real estate investment and development firm, since 1995 and President and Chief Executive Officer of Consortium Atlantic Realty Trust, Inc., a private real estate investment trust operating in the Mid-Atlantic region, from 2006. Also, Mr. Bernstein served on the Board of Overseers of the School of Arts and Sciences at the University of Pennsylvania from 2012 to 2021 and the Board of Trustees of the School of Arts and Sciences at the University of Pennsylvania from 2018 to 2022.	Four	Advisory Board Member of University Research Corporation, since 2020.
Marshall Brozost (58)	Trustee (Since Inception)	Partner at Allen Matkins Leck Gamble Mallory & Natsis LLP, where he serves as co-chair of the New York real estate group, since September 2023. Prior to Allen Matkins Leck Gamble Mallory & Natsis LLP, Mr. Brozost practiced law at McDermott Will & Emery LLP, from April 2022 to September 2023; Orrick, Herrington & Sutcliffe LLP, from July 2016 to April 2022; at Schulte Roth & Zabel LLP from May 2012 to July 2016; and at Dewey & LeBoeuf LLP from 2005 to 2012.	Four	None
Jeffrey Flug (62)	Trustee (Since Inception)	Mr. Flug was President of Union Square Hospitality Group, an exclusive chain of restaurants, from 2009 to June 2015. Mr. Flug served as Chief Executive Officer and Executive Director of Millennium Promise Alliance, Inc., a non-profit organization whose mission is to eradicate extreme global poverty, from 2006 to 2008. From 2000 to 2006, Mr. Flug was a Managing Director and Head of North American Institutional Sales at JP Morgan's Investment Bank.	Four	Shake Shack Inc., since 2014; Tender Greens, a private company, since 2015; Momentous, a private company, from 2018-2021.

Name and Age	Position(s) Held with the Fund; Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex[2] Overseen by Trustee	Other Directorships Held by Trustee in the Past 5 Years
Samuel L. Katz (60)	Trustee (Since Inception)	Managing Partner of TZP Group LLC, a private equity fund, since 2007. Chief Executive Officer and director of TZP Strategies Acquisition Corp. (Nasdaq: TZPS), a special purpose acquisition company; Before joining TZP Group, Mr. Katz was Chief Executive Officer of MacAndrews & Forbes Acquisition Holdings, Inc. from 2006 to 2007. Prior to that position, Mr. Katz was Chairman and Chief Executive Officer of the Cendant Travel Distribution Services Division from 2001 to 2005.	Four	Director of TZP Strategies Acquisition Corp.; BQ Resorts, LLC; Lift Brands, Inc.; HomeRiver Group; Pyramid Hotel Group; Triangle Home Fashions Holdings, LLC; Whitestone Home Furnishings, LLC (d/b/a The Saatva Company); Dwellworks; Rebath Member; Building Kidz School; Executive Committee of YRF Darca; Board of Advisors of Columbia University Irving Medical Center

(1) Each Trustee serves during the continued lifetime of the Fund and will not be subject to a term limit.
(2) The term "Fund Complex" includes the Fund, PennantPark Floating Rate Capital, PennantPark Investment Corporation and PennantPark Private Income Fund.

Officers Who are Not Trustees

Information regarding our officers who are not trustees is as follows. The address for each officer is c/o PennantPark Enhanced Income Fund, 1691 Michigan Avenue, Miami Beach, FL 33139, unless otherwise noted.

Name and Age	Position(s) Held with the Fund; Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years
Richard T. Allorto Jr. (53)	Chief Financial Officer	Chief Financial Officer and Treasurer to the funds in the Fund Complex. Additionally, as of September 2026, Mr. Allorto has served on the board of Powrus Corporation. Mr. Allorto was most recently the Chief Financial Officer of Medley Management Inc. and served as the Chief Financial Officer of Sierra Income Corporation and before that Medley Capital Corporation. Before that, he was a Managing Director at GSC Group from 2001 to 2010.
Gerald "Jerry" Cummins (70)	Chief Compliance Officer	Chief Compliance Officer to the funds in the Fund Complex. Mr. Cummins joined the Company's outsourced compliance service provider, ACA Group, in 2022. Prior to joining ACA, Mr. Cummins previously served as a director of Alaric Compliance Services, LLC from 2014 to 2022.
Adam Katz (43)	Secretary	Managing Director and General Counsel of PennantPark. Mr. Katz was most recently the Head of Legal, Chief Compliance Officer, and Corporate Secretary of Energize Ventures. Before that, he was Senior Counsel at Golub Capital.

(1) Officers are typically elected every year, unless an officer earlier retires, resigns or is removed from office.

PROXY VOTING

A description of the Fund's proxy voting policies and procedures is available without charge, upon request by calling (212) 905-1000, or on the U.S. Securities and Exchange Commission's ("SEC") website at *http://www.sec.gov*. Information regarding how the Fund voted proxies relating to portfolio securities during the twelve-month period ended June 30th is available on the SEC's website at *http://www.sec.gov*.

QUARTERLY PORTFOLIO HOLDINGS

The Fund files a monthly portfolio investments report with the SEC on Form N-PORT within 60 days after the end of the Fund's first and third quarters. Copies of the Fund's Form N-PORT are available without charge, upon request, by contacting the Fund at (212) 905-1000, or on the SEC's website at *http://www.sec.gov*.

DIVIDEND REINVESTMENT

The Fund operates under a distribution reinvestment program (the "Distribution Reinvestment Program"). Unless a shareholder elects otherwise, the shareholder's distributions will be reinvested in additional shares under our Distribution Reinvestment Program. Shareholders who elect not to participate in our Distribution Reinvestment Program will receive all distributions in cash paid to the shareholder of record (or, if the shares are held in street or other nominee name, then to such nominee). Pursuant to the policy, the Fund's income dividends or capital gains or other distributions, net of any applicable U.S. withholding tax, are reinvested in the Fund. Shareholders automatically participate in the Distribution Reinvestment Program, unless and until an election is made to withdraw from the policy on behalf of such participating shareholder. Shareholders who do not wish to have distributions automatically reinvested should so notify the Fund's Transfer Agent in writing at PennantPark Enhanced Income Fund, c/o Ultimus Fund Solutions, LLC, Via Regular Mail: PO Box 46707 Cincinnati, OH 45246 or Via Overnight Mail: 225 Pictoria Dr, Suite 450 Cincinnati, OH 45246.

PennantPark Enhanced Income Fund
Privacy Notice

We take precautions to maintain the privacy of personal information concerning our investors. These precautions include the adoption of certain procedures designed to maintain and secure your nonpublic personal information from inappropriate disclosure to unaffiliated third parties. We are sending this notice in accordance with applicable federal regulations. This notice applies to investors in the Fund.

What kind of personal information do we have about you and where did we get it?

- We collect nonpublic personal information about you from the following sources:
- Information we may receive from you in subscription agreements or other related documents or forms; and
- Information about your transactions with our affiliates and us.

How do we protect your personal information?

We do not disclose any nonpublic personal information about our investors or former investors to anyone, except as permitted by law.

We restrict access to nonpublic personal information about you to those employees and agents of PennantPark Investment Advisers, LLC, its affiliates and unaffiliated third party service providers (which may include a custodian, transfer agent or printer) who need to know that information in order to provide services to you or to the Fund. In that regard, we note that we maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information and which we believe is adequate to prevent unauthorized disclosure of such information.

What do we do with personal information about our former investors?

If an investor decides to no longer do business with us, we will continue to follow this privacy policy with respect to the information we have in our possession about such investor and his/her account.

If you have any questions concerning our privacy policies, please contact our Chief Financial Officer, Richard T. Allorto, Jr., at (212) 905-1000.