

Tax Character of Distributions for 2016

The tax character of the distributions paid by PennantPark Investment Corporation (the “Company”) for calendar year 2016 is set forth below. For tax purposes, the Company is a regulated investment company and is designating the tax character of the distributions you receive as a stockholder for calendar year 2016 in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (“IRC”).

The amounts shown in the table below represent the final accounting of the Company’s 2016 distributions. This information supersedes any estimated information you may have received during the year. Calendar year 2016 distributions were classified as follows:

Record Date	Payment Date	Dividend Per Share	Non-Qualified Ordinary Dividends	Qualified Ordinary Dividends ⁽¹⁾
March 18, 2016	April 1, 2016	\$0.28	99.01%	0.99%
June 20, 2016	July 1, 2016	\$0.28	99.01%	0.99%
September 21, 2016	October 3, 2016	\$0.28	99.01%	0.99%
December 22, 2016	January 3, 2017	\$0.28	99.01%	0.99%

- (1) The Company hereby notes the portion of its dividend representing amounts eligible for treatment as qualified dividend income in accordance with IRC Section 854(b) at a maximum 20% tax rate, as well as eligible for the dividends received deduction available to certain U.S. domestic corporations.
- (2) Special Notice for Non-U.S. Resident Company Shareholders: In accordance with IRC sections 871(k) and 881(e), 67.1% of the Company’s calendar year 2016 ordinary dividends constitute interest-related dividends and short-term capital gain dividends for U.S. federal tax purposes. Please consult with your tax advisor with any questions regarding this information.

Distributions that were reinvested through the Company’s dividend reinvestment plan are treated, for tax purposes, as if they had been paid in cash. Therefore, stockholders who participate in the dividend reinvestment plan should also refer to the above table.

This notice is not intended to constitute tax, legal, investment or other professional advice. Stockholders should be aware that tax treatment is subject to change by law in the future or retroactively. This is general information and should not be relied upon without consulting your tax advisor.

If you have any questions about the tax character of your dividends and distributions, please contact American Stock Transfer and Trust Company at 800-937-5449. You may also contact PennantPark Investment Corporation’s Investor Relations Department directly at 212-905-1000.