

TCP Capital Corp.
Form 10-Q
November 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarter Ended September 30, 2015

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 814-00899

TCP CAPITAL CORP.
(Exact Name of Registrant as Specified in Charter)

Delaware 56-2594706
(State or Other Jurisdiction of Incorporation) (IRS Employer Identification No.)

2951 28th Street, Suite 1000
Santa Monica, California 90405
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (310) 566-1000

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$0.001 per share NASDAQ Global Select Market
(Title of each class) (Name of each exchange where registered)

Securities registered pursuant to Section 12(g) of the Act: None

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 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 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. (Check one):

Large accelerated filer Accelerated filer

Edgar Filing: TCP Capital Corp. - Form 10-Q

Non-accelerated filer 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 Registrant's common stock, \$0.001 par value, outstanding as of November 5, 2015 was 48,872,263.

TCP CAPITAL CORP.

FORM 10-Q FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

Part I. Financial Information

Item 1. Financial Statements

<u>Consolidated Statements of Assets and Liabilities as of September 30, 2015 (unaudited) and December 31, 2014</u>	2
<u>Consolidated Schedule of Investments as of September 30, 2015 (unaudited) and December 31, 2014</u>	3
<u>Consolidated Statements of Operations for the three and nine months ended September 30, 2015 (unaudited) and September 30, 2014 (unaudited)</u>	13
<u>Consolidated Statements of Changes in Net Assets for the nine months ended September 30, 2015 (unaudited) and year ended December 31, 2014</u>	14
<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 (unaudited) and September 30, 2014 (unaudited)</u>	15
<u>Notes to Consolidated Financial Statements (unaudited)</u>	16
<u>Consolidated Schedule of Changes in Investments in Affiliates for the nine months ended September 30, 2015 (unaudited) and year ended December 31, 2014</u>	40
<u>Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of September 30, 2015 (unaudited) and December 31, 2014</u>	42
<u>Consolidating Statements of Assets and Liabilities as of September 30, 2015 (unaudited) and December 31, 2014</u>	44
<u>Consolidating Statements of Operations for the nine months ended September 30, 2015 (unaudited) and September 30, 2014 (unaudited)</u>	46

Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	48
--	----

Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	62
---	----

Item 4. <u>Controls and Procedures</u>	62
--	----

Part II. Other Information

Item 1. <u>Legal Proceedings</u>	63
----------------------------------	----

Item 1A. <u>Risk Factors</u>	63
------------------------------	----

Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	63
--	----

Item 3. <u>Defaults upon Senior Securities</u>	63
--	----

Item 4. <u>Mine Safety Disclosures</u>	63
--	----

Item 5. <u>Other Information</u>	63
----------------------------------	----

Item 6. <u>Exhibits</u>	63
-------------------------	----

Table of Contents

TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	September 30, 2015 (unaudited)	December 31, 2014
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of \$1,206,750,821 and \$1,097,181,753, respectively)	\$1,187,883,822	\$1,081,901,384
Companies 5% to 25% owned (cost of \$67,502,341 and \$52,103,511, respectively)	66,890,774	48,716,425
Companies more than 25% owned (cost of \$38,631,089 and \$40,213,258 respectively)	14,386,043	15,918,077
Total investments (cost of \$1,312,884,251 and \$1,189,498,522, respectively)	1,269,160,639	1,146,535,886
Cash and cash equivalents	34,582,869	27,268,792
Deferred debt issuance costs	9,844,273	7,700,988
Receivable for investments sold	1,969,722	10,961,369
Accrued interest income:		
Companies less than 5% owned	13,261,132	9,222,001
Companies 5% to 25% owned	750,685	253,987
Companies more than 25% owned	17,493	28,450
Unrealized appreciation on swaps	2,868,748	1,717,610
Options (cost of \$51,750 and \$51,750, respectively)	-	497
Prepaid expenses and other assets	1,381,556	2,177,217
Total assets	1,333,837,117	1,205,866,797
Liabilities		
Debt	575,305,233	328,696,830
Payable for investments purchased	7,847,520	2,049,518
Incentive allocation payable	4,838,534	4,303,040
Interest payable	3,580,028	1,510,981
Payable to the Advisor	731,172	459,827
Accrued expenses and other liabilities	2,635,000	3,219,783
Total liabilities	594,937,487	340,239,979
Commitments and contingencies (Note 5)		
Preferred equity facility		
Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 0 and 6,700 interests authorized, issued and outstanding as of September 30, 2015 and December 31, 2014, respectively	-	134,000,000
Accumulated dividends on Series A preferred equity facility	-	497,790
Total preferred limited partner interests	-	134,497,790
Non-controlling interest		
General Partner interest in Special Value Continuation Partners, LP	-	-

Edgar Filing: TCP Capital Corp. - Form 10-Q

Net assets applicable to common shareholders	\$738,899,630	\$731,129,028
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 48,934,498 and 48,710,627 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively		
	\$48,934	\$48,710
Paid-in capital in excess of par	880,682,891	877,103,880
Accumulated net investment income	28,066,387	21,884,381
Accumulated net realized losses	(128,426,795)	(126,408,033)
Accumulated net unrealized depreciation	(41,471,787)	(41,499,910)
Net assets applicable to common shareholders	\$738,899,630	\$731,129,028
Net assets per share	\$15.10	\$15.01

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value
<u>Debt</u>									
<u>Investments</u> ^(A)									
Accounting, Tax and Payroll Services									
EGS Holdings, Inc.	Holdco PIK Notes	LIBOR (A)	3.00%	10.00%	13.00%	10/3/2018	\$57,238	\$57,238	\$57,238
Expert Global Solutions, LLC	Second Lien Term Loan	LIBOR (Q)	1.50%	11.00%	12.50%	10/3/2018	\$15,249,675	15,031,105	15,402,100
								15,088,343	15,459,443
Advertising, Public Relations Services									
Doubleplay III Limited (Exterior Media) (United Kingdom)	First Lien Facility A1 Term Loan	EURIBOR (Q)	1.25%	6.25%	7.50%	3/18/2018	€12,249,157	15,848,565	13,759,300
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33%	10.17%	10.50%	9/1/2018	\$10,645,041	10,138,202	10,138,000
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33%	10.17%	N/A	9/1/2018	\$-	-	5
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33%	10.17%	N/A	9/1/2018	\$-	-	3

Edgar Filing: TCP Capital Corp. - Form 10-Q

	Fee)								25,986,767	23,897,3
Air Transportation Aircraft Leased to Delta Air Lines, Inc.										
N913DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	3/15/2017	\$137,608	137,608	137,608	139,612
N918DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	8/15/2018	\$253,943	253,943	253,943	258,932
N954DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	3/20/2019	\$360,363	360,363	360,363	367,458
N955DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	6/20/2019	\$385,135	385,135	385,135	392,963
N956DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	5/20/2019	\$381,663	381,663	381,663	389,397
N957DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	6/20/2019	\$388,503	388,503	388,503	396,402
N959DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	7/20/2019	\$395,285	395,285	395,285	403,338
N960DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	10/20/2019	\$418,755	418,755	418,755	427,312
N961DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	8/20/2019	\$408,799	408,799	408,799	417,143
N976DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	2/15/2018	\$238,743	238,743	238,743	243,132
Aircraft Leased to United Airlines, Inc.										
N659UA	Aircraft Secured Mortgage	Fixed	-	12.00%	12.00%	2/28/2016	\$644,862	644,862	644,862	659,259
N661UA	Aircraft Secured Mortgage	Fixed	-	12.00%	12.00%	5/4/2016	\$879,217	879,217	879,217	907,623
Cargojet Airways LTD. (Canada)	Aircraft Acquisition Loan A	LIBOR (M)	-	8.50%	8.75%	1/31/2023	\$14,457,306	14,181,056	14,181,056	14,470,3
Cargojet Airways LTD.	Aircraft Acquisition	LIBOR (M)	-	8.50%	N/A	1/31/2023	\$-	-	-	14

Edgar Filing: TCP Capital Corp. - Form 10-Q

(Canada)	Loan A1									
Mesa Air Group, Inc.	Acquisition Delayed Draw Loan	LIBOR (M)	-	7.25%	N/A	6/17/2019	\$-	-		312,225
Mesa Air Group, Inc.	Acquisition Loan	LIBOR (M)	-	7.25%	7.50%	7/15/2022	\$16,463,185	16,173,182		16,841,8
One Sky Flight, LLC	Second Lien Term Loan	Fixed	-	12% Cash+3% PIK	15.00%	6/3/2019	\$32,904,104	32,115,500		33,891,2
								67,362,614		70,518,1
Apparel Manufacturing										
Jones Apparel, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.60%	10.60%	4/8/2019	\$4,697,022	4,662,802		4,697,02
Business Support Services										
Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52%	8.75%	11/30/2017	\$-	(79,130)		(50,625
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (1.5% Exit Fee)	LIBOR (Q)	0.23%	9.27%	9.50%	11/30/2019	\$17,500,000	17,235,436		17,381,8
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00%	9.25%	10.25%	6/30/2023	\$31,000,000	30,537,872		31,930,0
								47,694,178		49,261,2
Chemicals										
Anuvia Plant Nutrients Holdings, LLC	Sr Secured Term Loan (8.0 % Exit Fee)	LIBOR (M)	0.23%	10.27%	10.50%	2/1/2018	\$7,700,000	7,914,869		7,935,20
BioAmber, Inc.	Sr Secured Term Loan	LIBOR (M)	0.23%	9.27%	9.50%	12/1/2017	\$25,000,000	25,167,961		25,662,5
Green Biologics, Inc.	Sr Secured Delayed Draw Term Loan (7.0% Exit Fee)	Prime Rate	3.25%	7.75%	11.00%	5/1/2018	\$15,000,000	14,814,099		15,000,0
PeroxyChem, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.50%	7.50%	2/28/2020	\$8,832,681	8,717,037		8,832,68
								56,613,966		57,430,3
Communications Equipment Manufacturing										
Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	7.63%	8.88%	12/11/2018	\$14,737,500	14,590,125		14,514,2

Edgar Filing: TCP Capital Corp. - Form 10-Q

Computer Equipment Manufacturing									
ELO Touch Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	1.50%	10.50%	12.00%	12/1/2018	\$12,000,000	11,681,018	11,692,200
Silicon Graphics International Corp.	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.00%	7/27/2018	\$18,550,882	18,247,955	18,690,000
								29,928,973	30,382,200
Computer Systems Design and Related Services									
Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	4.75% Cash+4% PIK	9.00%	3/31/2019	\$31,235,295	30,786,178	31,140,000
MSC Software Corporation	Second Lien Term Loan	LIBOR (M)	1.00%	7.50%	8.50%	5/29/2021	\$6,993,035	6,935,034	6,800,720
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.28%	9/3/2018	\$2,343,667	2,343,667	2,327,730
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan	LIBOR (Q)	-	7.00%	7.28%	9/3/2018	\$10,453,333	10,361,830	10,116,700
OnX USA, LLC	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.28%	9/3/2018	\$4,687,333	4,687,333	4,655,460
OnX USA, LLC	First Lien Term Loan	LIBOR (Q)	-	7.00%	7.28%	9/3/2018	\$5,226,667	5,184,603	5,058,360
Vistrionix, LLC	First Lien Revolver	LIBOR (Q)	0.50%	8.00%	8.50%	12/4/2018	\$228,398	223,861	228,398
Vistrionix, LLC	First Lien Term Loan	LIBOR (M)	0.50%	8.00%	8.50%	12/4/2018	\$6,288,020	6,233,315	6,256,580
Waterfall International, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	-	11.67%	12.00%	9/1/2018	\$4,800,000	4,648,512	4,648,800
								71,404,333	71,232,800
Data Processing and Hosting Services									
Asset International, Inc.	Delayed Draw Term Loan	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$3,033,145	2,997,251	3,032,450
Asset International, Inc.	Revolver Loan	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$24,238	16,101	24,238
Asset International, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$8,130,008	7,993,988	8,169,030
			0.50%	8.75%	9.25%	8/6/2019	\$4,812,500	4,002,763	4,767,740

Edgar Filing: TCP Capital Corp. - Form 10-Q

Rightside Group, Ltd.	Second Lien Term Loan	LIBOR (Q)							
The Telx Group, Inc.	Senior Notes	Fixed	-	13.5% PIK	13.50%	7/9/2021	\$4,746,800	4,746,800	4,889,200
United TLD Holdco, Ltd. (Rightside) (Cayman Islands)	Second Lien Term Loan	LIBOR (Q)	0.50%	8.75%	9.25%	8/6/2019	\$9,625,000	8,005,526	9,535,480
								27,762,429	30,418,100

3

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	V
<u>Debt Investments</u>									
<u>(continued)</u>									
Electric Power Generation, Transmission and Distribution									
Holocene Renewable Energy Fund 3, LLC (Conergy)									
	First Lien Term Loan	Fixed	-	9% Cash+1% PIK	10.00%	9/9/2017	\$7,463,901	\$7,390,860	\$
Electrical Equipment Manufacturing									
API Technologies Corp.									
	First Lien Term Loan	LIBOR (Q)	1.50%	7.50%	9.00%	2/6/2018	\$6,296,253	6,255,677	
API Technologies Corp.									
	First Lien Term Loan	LIBOR (Q)	1.50%	7.50%	9.00%	2/6/2018	\$4,081,961	4,001,969	
								10,257,646	
Electronic Component Manufacturing									
Central MN Renewables, LLC									
	Sr Secured Revolver	Fixed	-	8.25%	N/A	1/1/2016	\$-	-	
Redaptive, Inc.									
	Frist Lien Delayed Draw Term Loan	LIBOR (Q)	-	10.72%	N/A	7/1/2018	\$-	(133,163))
Soraa, Inc.									
	Sr Secured Term Loan (4.0% Exit Fee)	LIBOR (M)	0.23%	10.27%	10.50%	9/1/2017	\$22,500,000	22,392,029	
SunEdison, Inc.									
	Senior Secured Letters of Credit	Fixed	-	3.75%	N/A	2/28/2017	\$-	(604,759))
								21,654,107	
Equipment Leasing									
Essex Ocean, LLC									
	Sr Secured Term Loan	Fixed	-	8.00%	8.00%	3/25/2019	\$-	-	
Essex Ocean, LLC (Solexel)									
	Sr Secured Term Loan	Fixed	-	8.00%	8.00%	8/15/2018	\$2,855,401	2,855,401	
								2,855,401	
Financial Investment Activities									
Magnolia Finance V plc (Cayman Islands)									
	Asset-Backed Credit Linked Notes	Fixed	-	13.13% 1.00%	13.13% 7.50%	8/2/2021 4/30/2022	\$15,000,000 \$4,471,492	15,000,000 4,435,286	

Edgar Filing: TCP Capital Corp. - Form 10-Q

Institutional Shareholder Services, Inc.	Second Lien Term Loan	LIBOR (Q)							
Marsico Capital Management	First Lien Term Loan	LIBOR (Q)	-	5.00%	5.31%	12/31/2022	\$ 10,583,316	13,304,224	32,739,510
Gaming									
AP Gaming I, LLC	First Lien Revolver	LIBOR (M)	-	8.25%	8.43%	12/20/2018	\$-		(1,914,221)
Grocery Stores									
Bashas, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50%	7.00%	8.50%	10/8/2019	\$ 10,072,332	10,033,799	
The Great Atlantic & Pacific Tea Company, Inc.	Term Loan Tranche B	LIBOR (M)	1.00%	8.85%	9.85%	9/17/2019	\$ 21,295,110	20,998,759	31,032,558
Hospitals									
Bioventus, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	4/10/2020	\$ 11,000,000	10,811,136	
KPC Healthcare, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.25%	10.25%	8/28/2020	\$ 17,201,857	16,819,818	
RegionalCare Hospital Partners, Inc.	Second Lien Term Loan	LIBOR (M)	1.00%	9.50%	10.50%	10/23/2019	\$ 21,017,525	20,765,157	
UBC Healthcare Analytics, Inc. (Evidera)	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.00%	7/1/2018	\$ 4,105,044	4,084,519	52,480,630
Insurance Carriers									
Acrisure, LLC	Second Lien Incremental Notes	LIBOR (Q)	1.00%	8.25%	9.25%	11/19/2022	\$ 2,400,188	2,261,319	
Acrisure, LLC	Second Lien Notes	LIBOR (Q)	1.00%	8.25%	9.25%	11/19/2022	\$ 12,720,998	12,540,755	
JSS Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	6.25%	7.25%	8/31/2021	\$ 4,000,000	3,920,730	
US Apple Holdco, LLC (Ventiv Technology)	First Lien Term Loan	LIBOR (Q)	0.50%	11.50%	12.00%	8/29/2019	\$ 20,000,000	19,339,345	38,062,149
Insurance Related Activities									
Confie Seguros Holding II Co.	Second Lien Term Loan	LIBOR (M)	1.25%	9.00%	10.25%	5/8/2019	\$ 11,061,809	10,946,807	
Lessors of Nonfinancial Licenses									
ABG Intermediate Holdings 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	5/27/2022	\$ 15,990,714	15,849,370	
			1.00%	8.50%	9.50%	5/27/2022	\$ 3,474,715	3,440,443	

Edgar Filing: TCP Capital Corp. - Form 10-Q

ABG Intermediate Holdings 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)							
ABG Intermediate Holdings 2, LLC	Second Lien Incremental Delayed Draw Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	5/27/2022	\$-	(5,199)	
Management, Scientific, and Technical Consulting Services									
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75%	9.75%	10/31/2019	\$24,877,617	24,302,704	19,284,614
Motion Picture and Video Industries									
CORE Entertainment, Inc.	First Lien Term Loan	Fixed	-	9.00%	9.00%	6/21/2017	\$9,462,231	9,419,032	
CORE Entertainment, Inc.	Second Lien Term Loan	Fixed	-	13.50%	13.50%	6/21/2018	\$7,569,785	7,700,187	17,119,219
Nondepository Credit Intermediation									
Caribbean Financial Group (Cayman Islands)	Sr Secured Notes	Fixed	-	11.50%	11.50%	11/15/2019	\$26,975,000	26,821,462	
Trade Finance Funding I, Ltd. (Cayman Islands)	Secured Class B Notes	Fixed	-	10.75%	10.75%	11/13/2018	\$15,084,000	15,084,000	41,905,462
Oil and Gas Extraction									
Jefferson Gulf Coast Energy Partners, LLC	First Lien Term Loan B	LIBOR (M)	1.00%	8.50%	9.50%	2/27/2018	\$14,850,000	14,741,697	
MD America Energy, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	8/4/2019	\$10,000,000	9,594,734	24,336,431
Other Information Services									
TCH-2 Holdings, LLC (TravelClick)	Second Lien Term Loan	LIBOR (M)	1.00%	7.75%	8.75%	11/6/2021	\$19,988,392	19,727,803	
Other Manufacturing									
AGY Holding Corp.	Sr Secured Term Loan	Fixed	-	12.00%	12.00%	9/15/2016	\$4,869,577	4,869,577	
AGY Holding Corp.	Second Lien Notes	Fixed	-	11.00%	11.00%	11/15/2016	\$9,268,000	7,586,317	
Boomerang Tube, LLC	Second Lien Term Loan	LIBOR (Q)	1.50%	9.50%	11.00%	10/11/2017	\$3,825,453	4,010,758	
Boomerang Tube, LLC	Super Priority Debtor-in-Possession	LIBOR (M)	-	11.00%	11.20%	10/7/2015	\$1,124,444	1,123,221	17,589,873

Edgar Filing: TCP Capital Corp. - Form 10-Q

Other

Telecommunications

Securus

Technologies, Inc.

Second Lien Term
Loan

LIBOR
(Q)

1.25%

7.75%

9.00%

4/30/2021

\$14,000,000

13,860,000

4

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value
<u>Debt Investments</u>									
<u>(continued)</u>									
Other Publishing									
MediMedia USA, Inc.	First Lien Revolver	LIBOR (M)	-	6.75%	6.95%	5/20/2018	\$4,107,500	\$3,477,158	\$3,477,158
MediMedia USA, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	6.25%	7.50%	11/20/2018	\$5,681,239	5,575,226	5,575,226
								9,052,384	9,052,384
Pharmaceuticals									
Lantheus Medical Imaging, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	6.00%	7.00%	6/30/2022	\$5,985,000	5,891,843	5,891,843
Plastics									
Manufacturing									
Iracore International, Inc.	Sr Secured Notes	Fixed	-	9.50%	9.50%	6/1/2018	\$13,600,000	13,600,000	13,600,000
Radio and Television									
Broadcasting									
Fuse, LLC	Sr Secured Notes	Fixed	-	10.38%	10.38%	7/1/2019	\$7,312,000	7,312,000	7,312,000
NEP/NCP Holdco, Inc.	Second Lien Term Loan	LIBOR (M)	1.25%	8.75%	10.00%	7/22/2020	\$10,000,000	10,018,251	10,018,251
The Tennis Channel, Inc.	First Lien Term Loan	LIBOR (Q)	-	8.50%	8.81%	5/29/2017	\$32,355,355	32,152,571	32,152,571
								49,482,822	49,482,822
Real Estate Leasing									
Hunt Companies, Inc.	Senior Secured Notes	Fixed	-	9.63%	9.63%	3/1/2021	\$3,584,000	3,547,045	3,547,045
Real Estate related									
Activities									
Daymark Financial Acceptance, LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	-	9.50%	9.71%	1/12/2020	\$5,000,000	4,597,938	4,597,938
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.00%	3/26/2021	\$16,346,867	16,158,916	16,158,916
								20,756,854	20,756,854

Edgar Filing: TCP Capital Corp. - Form 10-Q

Restaurants

RM OpCo, LLC (Real Mex)	Convertible Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$1,745,268	1,737,600	1
RM OpCo, LLC (Real Mex)	First Lien Term Loan Tranche A	Fixed	-	7.00%	7.00%	3/21/2016	\$3,764,259	3,762,749	3
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B	Fixed	-	8.50%	8.50%	3/30/2018	\$8,696,073	8,696,073	5
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$2,738,690	2,723,268	2
RM OpCo, LLC (Real Mex)	Sr Convertible Second Lien Term Loan B	Fixed	-	8.50%	8.50%	3/30/2018	\$1,336,498	1,336,478	1

18,256,168 1

Retail

Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	8.50%	9.50%	9/25/2020	\$13,409,090	13,265,477	1
Connexity, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	2/13/2020	\$6,435,000	6,435,000	6

19,700,477 1

Satellite

Telecommunications

Avanti Communications Group, PLC (United Kingdom)	Sr Secured Notes	Fixed	-	10.00%	10.00%	10/1/2019	\$9,393,000	9,393,000	8
--	---------------------	-------	---	--------	--------	-----------	-------------	-----------	---

Scientific Research and
Development Services

Arcadia Biosciences, Inc.	Sr Secured Term Loan (3.0% Exit Fee)	LIBOR (M)	0.28%	8.72%	9.00%	11/1/2018	\$20,000,000	19,891,113	1
BPA Laboratories, Inc.	Senior Secured Notes	Fixed	-	12.25%	12.25%	4/1/2017	\$38,932,000	39,001,750	4

58,892,863 6

Software Publishing

Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	13.00%	14.00%	2/21/2017	\$29,868,216	29,733,384	2
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.50%	9.00%	1/31/2020	\$30,000,000	29,506,047	2
BlackLine Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.50%	0.4% Cash+7.6%	9.50%	9/25/2018	\$14,375,100	13,690,455	1

Edgar Filing: TCP Capital Corp. - Form 10-Q

				PIK 3.75%						
Coreone Technologies, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	Cash+5% PIK	9.75%	9/4/2018	\$14,617,894	14,442,148	1	
Edmentum, Inc.	Jr Revolving Facility	Fixed	-	5.00%	5.00%	6/9/2020	\$-	-	3	
Edmentum Ultimate Holdings, LLC	Sr PIK Notes	Fixed	-	8.50%	8.50%	6/9/2020	\$2,557,459	2,557,459	2	
Edmentum Ultimate Holdings, LLC	Jr PIK Notes	Fixed	-	10.00%	10.00%	6/9/2020	\$11,500,853	10,860,493	1	
Fidelis Acquisitionco, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.00%	11/4/2019	\$41,710,961	40,933,708	4	
Fidelis Acquisitionco, LLC	Revolver	LIBOR (Q)	1.00%	8.00%	9.00%	11/4/2019	\$3,182,143	3,182,143	3	
SoundCloud Ltd. (United Kingdom)	Sr Secured Term Loan	LIBOR (Q)	-	10.72%	11.00%	10/1/2018	\$22,535,714	22,261,446	2	
Virgin Pulse Inc.	First Lien Term Loan	LIBOR (Q)	-	8.00%	8.31%	5/21/2020	\$7,500,000	7,393,672	7	
								174,560,955	1	
Textile Furnishings Mills										
Lexmark Carpet Mills, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$25,000,000	25,000,000	2	
Lexmark Carpet Mills, Inc.	First Lien Term Loan B	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$8,575,581	8,368,998	8	
								33,368,998	3	
Utility System Construction										
Kawa Solar Holdings Limited	Revolving Credit Facility	Fixed	-	8.00%	8.00%	7/2/2017	\$25,000,000	25,000,000	2	
Wired Telecommunications Carriers										
Alpheus Communications, LLC	First Lien Delayed Draw FILO Term Loan	LIBOR (Q)	1.00%	6.92%	7.92%	5/31/2018	\$710,370	694,744	7	
Alpheus Communications, LLC	First Lien Delayed Draw FILO Term Loan	LIBOR (Q)	1.00%	6.92%	7.92%	5/31/2018	\$365,586	361,951	3	
Alpheus Communications, LLC	First Lien FILO Term Loan	LIBOR (Q)	1.00%	6.92%	7.92%	5/31/2018	\$8,041,921	7,961,973	8	
Integra Telecom Holdings, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	8.50%	9.75%	2/22/2020	\$13,231,193	13,028,390	1	
			1.00%	7.13%	8.13%	8/31/2020	\$4,000,000	3,941,178	3	

Edgar Filing: TCP Capital Corp. - Form 10-Q

Oxford County Telephone and Telegraph Company	First Lien Term Loan	LIBOR (Q)						25,988,236	2
Wireless Telecommunications Carriers									
Gogo, LLC	First Lien Term Loan	LIBOR (Q)	1.50%	9.75%	11.25%	3/21/2018	\$33,045,233	33,078,035	3
Gogo, LLC	First Lien Term Loan B-2	LIBOR (Q)	1.00%	6.50%	7.50%	3/21/2018	\$5,453,923	5,379,264	5
								38,457,299	3
Total Debt									
Investments							\$1,246,160,207	1,250,675,027	1

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref Floor Spread	Total Coupon	Maturity	Shares	Cost	Value	% of Portfolio	Notes
<u>Equity Securities</u>									
Advertising and Public Relations Services									
InMobi, Inc. (Singapore)	Warrants to Purchase Stock				17,578	\$230,569	\$230,569	0.02%	C/E
Air Transportation Aircraft Leased to Delta Air Lines, Inc.									
N913DL	Trust Beneficial Interests				1,237	84,261	110,116	0.01%	E/F
N918DL	Trust Beneficial Interests				995	87,654	129,800	0.01%	E/F
N954DL	Trust Beneficial Interests				923	98,474	76,429	0.01%	E/F
N955DL	Trust Beneficial Interests				889	95,752	108,833	0.01%	E/F
N956DL	Trust Beneficial Interests				897	95,687	105,056	0.01%	E/F
N957DL	Trust Beneficial Interests				889	96,178	105,915	0.01%	E/F
N959DL	Trust Beneficial Interests				880	96,670	106,796	0.01%	E/F
N960DL	Trust Beneficial Interests				857	98,587	106,411	0.01%	E/F
N961DL	Trust Beneficial Interests				872	98,023	101,805	0.01%	E/F

Edgar Filing: TCP Capital Corp. - Form 10-Q

N976DL	Trust Beneficial Interests	1,067	89,551	101,078	0.01 %	E/F
Aircraft Leased to United Airlines, Inc.						
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests	619	2,980,177	3,310,735	0.25 %	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests	600	2,906,721	3,239,103	0.25 %	E/F
Flight Options Holdings I, Inc. (One Sky)	Warrants to Purchase Common Stock	1,843	1,162,350	3,665,844	0.28 %	C/E
			7,990,085	11,267,921	0.88 %	
Business Support Services						
Findly Talent, LLC	Membership Units	708,229	230,938	162,184	0.01 %	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units	841,479	325,432	2,491,619	0.19 %	C/E
			556,370	2,653,803	0.20 %	
Chemicals						
Green Biologics, Inc.	Warrants to Purchase Stock	376,147	272,594	163,323	0.01 %	C/E
Communications						
Equipment Manufacturing Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	4,198,500	0.32 %	B/C
Computer Systems Design and Related Services						
Waterfall International, Inc.	Series B Preferred Stock	1,428,571	1,000,000	1,000,000	0.08 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock	857,143	57,026	57,000	-	C/E
			1,057,026	1,057,000	0.08 %	

Edgar Filing: TCP Capital Corp. - Form 10-Q

Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,581,964	0.12%	C/E
Rightside Group, Ltd.	Warrants	498,855	2,778,622	835,058	0.06%	C/E
			29,489,670	2,417,022	0.18%	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	-	2,909,383	0.22%	C/E
NEXTracker, Inc.	Series C Preferred Stock	17,640	-	91,830	0.01%	C/E
			-	3,001,213	0.23%	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	315,000	408,987	143,892	0.01%	C/E
Equipment Leasing						
Essex Ocean II, LLC	Membership Units	199,430	199,430	199,430	0.02%	C/E
Financial Investment Activities						
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	2,530	-	C/E
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	-	682,614	0.05%	B/E
Other Manufacturing						
KAGY Holding Company, Inc.	Series A Preferred Stock	9,778	1,091,200	4,365,325	0.34%	B/C
Precision Holdings, LLC	Class C Membership Interest	33	-	874	-	C/E

Edgar Filing: TCP Capital Corp. - Form 10-Q

Radio and Television Broadcasting			1,091,200	4,366,199	0.34%	
Fuse Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	23	-	C/E
Restaurants RM Holdco, LLC (Real Mex)	Equity Participation	24	-	-	-	B/C
RM Holdco, LLC (Real Mex)	Membership Units	13,161,000	2,010,777	-	-	B/C
			2,010,777	-	-	
Retail Shop Holding, LLC (Connexity)	Class A Units	507,167	480,049	278,739	0.02%	C/E
Shop Holding, LLC (Connexity)	Warrants to Purchase Class A Units	326,691	-	7,569	-	C/E
			480,049	286,308	0.02%	

6

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument Ref Floor Spread	Total Coupon	Maturity Shares	Cost	Value	% of Portfolio
<u>Equity Securities</u>						
<u>(continued)</u>						
Software Publishing						
Blackline Intermediate, Inc.	Warrants to Purchase Common Stock		1,232,731	\$522,678	\$1,098,733	0.08
Edmentum Ultimate Holdings, LLC	Class A Common Units		159,515	680,226	680,218	0.05
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock		676,070	56,487	54,356	-
Wired Telecommunications Carriers				1,259,391	1,833,307	0.13
Integra Telecom, Inc.	Common Stock		1,274,522	8,433,884	5,269,511	0.40
Integra Telecom, Inc. V Telecom	Warrants		346,939	19,920	221,174	0.02
Investment S.C.A. (Vivacom) (Luxembourg)	Common Shares		1,393	3,236,256	3,488,407	0.27
				11,690,060	8,979,092	0.69
Total Equity Securities				62,209,224	41,482,746	3.18
Total Investments				\$1,312,884,251	\$1,269,160,639	
<u>Cash and Cash Equivalents</u>						
Cash Denominated in Foreign Currencies					295,487	0.02
					34,287,382	2.63

Cash Held on Account at Various Institutions Cash and Cash Equivalents	34,582,869	2.65
Total Cash and Investments	\$1,303,743,508	100.

Notes to Consolidated Schedule of Investments:

Investments in bank debt generally are bought and sold among institutional investors in transactions not subject to (A) registration under the Securities Act of 1933. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.

Non-controlled affiliate – as defined under the Investment Company Act of 1940 (ownership of between 5% and (B) 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.

(C) Non-income producing security.

(D) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure. At September 30, 2015, such hedging activities included the derivatives listed at the end of the Consolidated Schedule of Investments. (See Note 2)

(E) Restricted security. (See Note 2)

Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the (F) outstanding voting securities of this issuer). Investment is not more than 50% owned nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.

(G) Investment has been segregated to collateralize certain unfunded commitments.

(H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(I) Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(J) Publicly traded company with a market capitalization greater than \$250 million and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(K) Negative balances relate to an unfunded commitment that was acquired and valued at a discount.

Edgar Filing: TCP Capital Corp. - Form 10-Q

(L) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.

(M) All cash and investments, except those referenced in Notes G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.

LIBOR or EURIBOR resets monthly (M), quarterly (Q), semiannually (S), or annually (A).

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$423,348,068 and \$305,505,796 respectively, for the nine months ended September 30, 2015. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of September 30, 2015 was \$1,268,961,209, or 97.3% of total cash and investments of the Company.

Options and swaps at September 30, 2015 were as follows:

Investment	Notional Amount	Fair Value
Interest Rate Cap with Deutsche Bank AG, 4%, expires 5/15/2016	\$25,000,000	\$-
Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 3/31/2017	\$16,401,467	\$2,868,748

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value
<u>Debt</u>									
<u>Investments (A)</u>									
Accounting, Tax Preparation, Bookkeeping, and Payroll Services									
EGS Holdings, Inc.	Holdco PIK Notes	LIBOR (A)	3.00%	10.00%	13.00%	10/3/2018	\$57,238	\$57,238	\$56,237
Expert Global Solutions, LLC	Second Lien Term Loan	LIBOR (Q)	1.50%	11.00%	12.50%	10/3/2018	\$7,124,902	6,959,593	7,096,403
								7,016,831	7,152,640
Activities Related to Real Estate									
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.00%	3/26/2021	\$16,470,084	16,261,549	16,511,250
Advertising, Public Relations, and Related Services									
Doubleplay III Limited (United Kingdom)	First Lien Facility A1 Term Loan	EURIBOR (Q)	1.25%	6.25%	7.50%	3/18/2018	€13,165,705	16,791,646	15,450,030
Artificial Synthetic Fibers and Filaments Manufacturing									
AGY Holding Corp.	Sr Secured Term Loan	Fixed	-	12.00%	12.00%	9/15/2016	\$4,869,577	4,869,577	4,869,577
AGY Holding Corp.	Second Lien Notes	Fixed	-	11.00%	11.00%	11/15/2016	\$9,268,000	7,586,318	9,017,764
								12,455,895	13,887,340
Basic Chemical Manufacturing									
BioAmber, Inc.	Sr Secured Term Loan	LIBOR (M)	0.23%	9.27%	9.50%	12/1/2017	\$25,000,000	24,505,108	25,050,000
Green Biologics, Inc.	Sr Secured Term Loan	Prime Rate	3.25%	7.75%	11.00%	5/1/2018	\$15,000,000	14,503,743	14,730,000

Edgar Filing: TCP Capital Corp. - Form 10-Q

M&G Chemicals S.A. (Luxembourg)	Sr Secured Term Loan	LIBOR (Q)	0.23%	8.50%	8.73%	3/18/2016	\$15,632,077	15,632,077	15,632,077
PeroxyChem, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.50%	7.50%	2/28/2020	\$8,932,500	8,783,187	8,932,500
VitAG Holdings, LLC	Sr Secured Term Loan	LIBOR (M)	0.23%	10.27%	10.50%	2/1/2018	\$7,700,000	7,555,099	7,646,000
Beverage Manufacturing Carolina Beverage Group, LLC	Secured Notes	Fixed	-	10.63%	10.63%	8/1/2018	\$4,780,000	4,780,000	4,851,700
Business Support Services Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52%	8.75%	11/30/2017	\$-	(106,405)	(60,000)
Business Support Services Enerwise Global Technologies, Inc.	Sr Secured Term Loan	LIBOR (Q)	0.23%	9.27%	9.50%	11/30/2019	\$17,500,000	17,158,899	17,360,000
Business Support Services STG-Fairway Acquisitions, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	9.25%	10.50%	8/28/2019	\$14,643,455	14,036,428	14,863,100
Chemical Manufacturing Archroma	Term Loan B	LIBOR (Q)	1.25%	8.25%	9.50%	9/30/2018	\$19,896,228	19,593,258	19,747,000
Communications Equipment Manufacturing Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	7.63%	8.88%	12/11/2018	\$14,850,000	14,701,500	14,656,950
Computer Equipment Manufacturing ELO Touch Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	1.50%	10.50%	12.00%	12/1/2018	\$12,000,000	11,638,008	11,520,000
Computer Systems Design and Related Services Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	4.75% Cash+4% PIK	9.00%	3/31/2019	\$30,926,035	30,399,049	31,080,600
Computer Systems Design and Related Services Blue Coat Systems, Inc.	First Lien Revolver	LIBOR (Q)	1.00%	3.50%	4.50%	5/31/2018	\$-	(727,290)	(660,240)
			1.00%	8.50%	9.50%	6/28/2020	\$15,000,000	14,878,125	14,775,000

Edgar Filing: TCP Capital Corp. - Form 10-Q

Blue Coat Systems, Inc.	Second Lien Term Loan	LIBOR (Q)								
MSC Software Corporation	Second Lien Term Loan	LIBOR (M)	1.00%	7.50%	8.50%	5/29/2021	\$11,993,035	11,880,123	11,753,17	
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.23%	9/3/2018	\$2,361,467	2,361,467	2,341,394	
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan	LIBOR (Q)	-	7.00%	7.23%	9/3/2018	\$10,533,333	10,415,821	10,259,46	
OnX USA, LLC	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.23%	9/3/2018	\$4,722,933	4,722,933	4,682,788	
OnX USA, LLC	First Lien Term Loan	LIBOR (Q)	-	7.00%	7.23%	9/3/2018	\$5,266,667	5,211,626	5,129,733	
Vistronix, LLC	First Lien Revolver	LIBOR (Q)	0.50%	8.00%	8.50%	12/4/2018	\$-	(5,809)	-	
Vistronix, LLC	First Lien Term Loan	LIBOR (M)	0.50%	8.00%	8.50%	12/4/2018	\$6,535,333	6,466,509	6,551,671	
Websense, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.25%	8.25%	12/27/2020	\$7,200,000	7,164,000	6,930,000	
Cut and Sew Apparel Manufacturing								92,766,554	92,843,65	
Jones Apparel, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.60%	10.60%	4/8/2019	\$14,329,403	14,202,296	14,429,70	
Data Processing, Hosting, and Related Services										
Asset International, Inc.	Delayed Draw Term Loan	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$-	(42,880)	(29,158	
Asset International, Inc.	Revolver	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$484,752	475,358	477,885	
Asset International, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	7.00%	8.00%	7/31/2020	\$8,191,755	8,037,946	8,122,125	
Rightside Group, Ltd.	Second Lien Term Loan	LIBOR (Q)	0.50%	8.75%	9.25%	8/6/2019	\$5,000,000	4,042,549	4,775,000	
The Telx Group, Inc.	Senior Notes	Fixed	-	13.5% PIK	13.50%	7/9/2021	\$4,446,651	4,446,651	4,611,177	
United TLD Holdco, Ltd. (Cayman	Second Lien Term Loan	LIBOR (Q)	0.50%	8.75%	9.25%	8/6/2019	\$10,000,000	8,085,098	9,550,000	

Edgar Filing: TCP Capital Corp. - Form 10-Q

Islands)

								25,044,722	27,507,02
Electrical Equipment and Component Manufacturing									
NEXTracker, Inc.	Sr Secured Revolver	LIBOR (M)	-	8.00%	8.00%	7/1/2016	\$2,500,000	508,086	1,126,250
NEXTracker, Inc.	Sr Secured Term Loan	LIBOR (M)	-	9.50%	9.50%	12/16/2016	\$2,500,000	2,216,771	2,303,750
Palladium Energy, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.00%	12/26/2017	\$16,153,317	15,942,351	16,234,08
								18,667,208	19,664,08
Electrical Equipment Manufacturing									
API Technologies Corp.	First Lien Term Loan	LIBOR (Q)	1.50%	7.50%	9.00%	2/6/2018	\$6,687,055	6,631,621	6,610,154
Fabricated Metal Product Manufacturing									
Constellation Enterprises, LLC	First Lien Notes	Fixed	-	10.63%	10.63%	2/1/2016	\$2,900,000	2,858,907	2,392,500
Financial Investment Activities									
Institutional Shareholder Services, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.50%	8.50%	4/30/2022	\$6,471,492	6,411,582	6,374,420
Marsico Capital Management	First Lien Term Loan	LIBOR (M)	-	5.00%	5.25%	12/31/2022	\$10,500,040	13,220,948	2,274,991
								19,632,530	8,649,411

8

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value
<u>Debt Investments</u>									
<u>(continued)</u>									
Full-Service Restaurants									
RM OpCo, LLC	Convertible Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$1,636,314	\$1,614,711	\$1,636,314
RM OpCo, LLC	First Lien Term Loan Tranche A	Fixed	-	7.00%	7.00%	3/21/2016	\$3,900,025	3,898,911	3,900,025
RM OpCo, LLC	Second Lien Term Loan Tranche B	Fixed	-	8.50%	8.50%	3/30/2018	\$8,153,188	8,153,188	6,457,314
RM OpCo, LLC	Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$2,567,717	2,546,166	2,567,717
RM OpCo, LLC	Sr Convertible Second Lien Term Loan B	Fixed	-	8.50%	8.50%	3/30/2018	\$631,164	631,164	631,164
								16,844,140	15,192,214
Gaming Industries									
AP Gaming I, LLC	First Lien Revolver	LIBOR (Q)	-	8.25%	8.41%	12/20/2018	\$5,000,000	2,931,716	2,812,500
AP Gaming I, LLC	First Lien Term Loan B	LIBOR (Q)	1.00%	8.25%	9.25%	12/20/2020	\$14,850,000	14,450,326	14,850,000
								17,382,042	17,662,300
General Medical and Surgical Hospitals									
RegionalCare Hospital Partners, Inc.	Second Lien Term Loan	LIBOR (M)	1.00%	9.50%	10.50%	10/23/2019	\$21,017,525	20,729,782	20,964,000
Grocery Stores									
Bashas, Inc.	First Lien FILO Term	LIBOR (M)	1.50%	7.00%	8.50%	10/8/2019	\$10,632,845	10,592,167	10,616,000

Edgar Filing: TCP Capital Corp. - Form 10-Q

Loan									
The Great Atlantic & Pacific Tea Company, Inc.	Term Loan Tranche B	LIBOR (M)	1.00%	8.85%	9.85%	9/17/2019	\$20,966,890	20,619,519	20,945,519
								31,211,686	31,562,219
Insurance Carriers									
Acrisure, LLC	Second Lien Additional Notes	LIBOR (Q)	1.00%	10.50%	11.50%	3/31/2020	\$2,520,198	2,391,227	2,527,219
Acrisure, LLC	Second Lien Notes	LIBOR (Q)	1.00%	10.50%	11.50%	3/31/2020	\$29,288,298	28,725,701	29,317,219
US Apple Holdco, LLC	First Lien Term Loan	LIBOR (Q)	0.50%	11.50%	12.00%	8/29/2019	\$20,000,000	19,247,507	19,940,219
								50,364,435	51,784,219
Insurance Related Activities									
Confie Seguros Holding II Co.	Second Lien Term Loan	LIBOR (M)	1.25%	9.00%	10.25%	5/8/2019	\$7,861,809	7,776,100	7,859,319
Lessors of Nonfinancial Intangible Assets									
ABG Intermediate Holdings 2, LLC	Second Lien Term Loan	LIBOR (S)	1.00%	8.00%	9.00%	5/27/2022	\$15,990,714	15,838,253	16,110,219
Lessors of Real Estate									
Hunt Companies, Inc.	Senior Secured Notes	Fixed	-	9.63%	9.63%	3/1/2021	\$13,084,000	12,935,462	13,476,219
Management, Scientific, and Technical Consulting Services									
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75%	9.75%	10/31/2019	\$27,923,077	27,174,478	27,853,219
Merchant Wholesalers									
Envision Acquisition Company, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.75%	9.75%	11/4/2021	\$9,079,011	8,914,869	9,044,919
Motion Picture and Video Industries									
CORE Entertainment, Inc.	First Lien Term Loan	Fixed	-	9.00%	9.00%	6/21/2017	\$9,462,231	9,402,044	8,203,719
CORE Entertainment, Inc.	Second Lien Term Loan	Fixed	-	13.50%	13.50%	6/21/2018	\$7,569,785	7,518,166	6,233,719
								16,920,210	14,437,219
Newspaper, Periodical, Book, and Directory Publishers									
			-	6.75%	6.99%	5/20/2018	\$3,875,000	3,065,963	3,596,519

Edgar Filing: TCP Capital Corp. - Form 10-Q

MediMedia USA, Inc.	First Lien Revolver	LIBOR (Q)								
MediMedia USA, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	6.75%	8.00%	11/20/2018	\$9,591,911	9,372,798	9,376,000	
								12,438,761	12,972,000	
Nondepository Credit Intermediation										
Caribbean Financial Group (Cayman Islands)	Sr Secured Notes	Fixed	-	11.50%	11.50%	11/15/2019	\$10,000,000	9,846,274	10,300,000	
Trade Finance Funding I, Ltd. (Cayman Islands)	Secured Class B Notes	Fixed	-	10.75%	10.75%	11/13/2018	\$15,084,000	15,084,000	15,008,000	
								24,930,274	25,308,000	
Nonscheduled Air Transportation										
One Sky Flight, LLC	Second Lien Term Loan	Fixed	-	12% Cash+3% PIK	15.00%	6/3/2019	\$18,660,646	17,417,637	19,220,000	
Oil and Gas Extraction										
Jefferson Gulf Coast Energy Partners, LLC	First Lien Term Loan B	LIBOR (M)	1.00%	8.00%	9.00%	2/27/2018	\$14,962,500	14,824,074	14,289,000	
MD America Energy, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	8/4/2019	\$10,000,000	9,533,785	9,600,000	
								24,357,859	23,889,000	
Other Information Services										
TCH-2 Holdings, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	7.75%	8.75%	11/6/2021	\$19,988,392	19,704,946	19,288,000	
Other Telecommunications										
Securus Technologies, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	7.75%	9.00%	4/30/2021	\$14,000,000	13,860,000	13,790,000	

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Value
<u>Debt Investments</u>									
<u>(continued)</u>									
Petroleum and Coal Products									
Manufacturing									
Boomerang Tube, LLC	Second Lien Term Loan	LIBOR (Q)	1.50%	9.50%	11.00%	10/11/2017	\$3,825,453	\$3,778,669	\$3,3
Plastics Products									
Manufacturing									
Iracore International, Inc.	Sr Secured Notes	Fixed	-	9.50%	9.50%	6/1/2018	\$13,600,000	13,600,000	8,1
Radio and Television Broadcasting									
SiTV, Inc.	Sr Secured Notes	Fixed	-	10.38%	10.38%	7/1/2019	\$7,312,000	7,312,000	6,8
The Tennis Channel, Inc.	First Lien Term Loan	LIBOR (Q)	-	8.50%	8.75%	5/29/2017	\$18,250,825	17,914,285	18
								25,226,285	25
Retail									
Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	10.40%	11.40%	9/25/2017	\$10,590,909	10,434,633	10
Connexity, Inc.	Second Lien Term Loan Convertible	LIBOR (Q)	-	12.50%	12.73%	3/31/2016	\$6,630,353	6,536,895	6,6
Shop Holding, LLC	Promissory Note	Fixed	-	5.00%	5.00%	8/5/2015	\$73,140	73,140	67
								17,044,668	17
Satellite Telecommunications									
Avanti Communications Group, PLC (United Kingdom)									
	Sr Secured Notes	Fixed	-	10.00%	10.00%	10/1/2019	\$9,914,000	9,914,000	9,4
Scheduled Air Transportation									

Edgar Filing: TCP Capital Corp. - Form 10-Q

Aircraft Leased to
Delta Air Lines, Inc.

N913DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	3/15/2017	\$205,106	205,106	20
N918DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	8/15/2018	\$313,694	313,694	32
N954DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	3/20/2019	\$429,007	429,007	43
N955DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	6/20/2019	\$451,165	451,165	46
N956DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	5/20/2019	\$448,792	448,792	45
N957DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	6/20/2019	\$455,112	455,112	46
N959DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	7/20/2019	\$461,378	461,378	47
N960DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	10/20/2019	\$483,873	483,873	49
N961DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	8/20/2019	\$475,489	475,489	48
N976DL	Aircraft Secured Mortgage	Fixed	-	8.00%	8.00%	2/15/2018	\$308,103	308,103	31

Aircraft Leased to
United Airlines, Inc.

N659UA	Aircraft Secured Mortgage	Fixed	-	12.00%	12.00%	2/28/2016	\$1,582,136	1,582,136	1,6
N661UA	Aircraft Secured Mortgage	Fixed	-	12.00%	12.00%	5/4/2016	\$1,788,182	1,788,181	1,8
Mesa Air Group, Inc.	Acquisition Delayed Draw Loan	LIBOR (M)	-	7.25%	N/A	7/15/2022	\$-	(271,500)	(13
Mesa Air Group, Inc.	Acquisition Loan	LIBOR (M)	-	7.25%	7.44%	7/15/2022	\$17,810,658	17,469,814	17
								24,600,350	25

Scientific Research and
Development Services

BPA Laboratories, Inc.	Senior Secured Notes	Fixed	-	12.25%	12.25%	4/1/2017	\$38,932,000	39,001,750	41
---------------------------	----------------------------	-------	---	--------	--------	----------	--------------	------------	----

Semiconductor and Other
Electronic Component
Manufacturing

Soraa, Inc.	Sr Secured Term Loan	LIBOR (M)	0.23%	10.27%	10.50%	9/1/2017	\$22,500,000	21,822,817	21
SunEdison, Inc.	Senior Secured Letters of Credit	Fixed	-	3.75%	N/A	2/28/2017	\$-	(1,031,717)	(75
								20,791,100	20

Software Publishers

Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	13.00%	14.00%	2/21/2017	\$30,634,068	30,429,609	28
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.50%	9.00%	1/31/2020	\$30,000,000	29,439,740	30
BlackLine Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.50%	0.4% Cash+7.6% PIK	9.50%	9/25/2018	\$13,577,457	12,859,373	13
Coreone Technologies, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	3.75% Cash+5% PIK	9.75%	9/4/2018	\$14,257,231	14,028,252	13
Deltek, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	8.75%	10.00%	10/10/2019	\$15,000,000	14,831,408	15
Edmentum, Inc.	Second Lien Term Loan	LIBOR (Q)	1.50%	9.75%	11.25%	5/17/2019	\$21,500,000	21,361,215	11
								122,949,597	11

Specialty Hospitals

Bioventus, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	4/10/2020	\$11,000,000	10,786,339	10
UBC Healthcare Analytics, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.00%	7/1/2018	\$4,401,081	4,379,076	4,3
								15,165,415	15

Structured Note
Funds

Magnolia Finance V plc (Cayman Islands)	Asset-Backed Credit Linked Notes	Fixed	-	13.13%	13.13%	8/2/2021	\$15,000,000	15,000,000	15
--	--	-------	---	--------	--------	----------	--------------	------------	----

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal or Shares	Cost	Value
<u>Debt Investments</u>									
<u>(continued)</u>									
Textile Furnishings Mills									
Lexmark Carpet Mills, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$25,000,000	\$25,000,000	\$24,920,000
Utility System Construction									
Kawa Solar Holdings Limited	Revolving Credit Facility	Fixed	-	8.00%	8.00%	7/2/2017	\$25,000,000	25,000,000	25,000,000
Wired Telecommunications Carriers									
Alpheus Communications, LLC	Delayed Draw Term Loan	LIBOR (Q)	1.00%	6.92%	7.92%	5/31/2018	\$372,616	361,456	371,400
Alpheus Communications, LLC	First Lien FILO Term Loan	LIBOR (Q)	1.00%	6.92%	7.92%	5/31/2018	\$8,145,022	8,064,048	8,136,000
Integra Telecom Holdings, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	8.50%	9.75%	2/22/2020	\$15,000,000	14,737,750	14,940,000
								23,163,254	23,450,000
Wireless Telecommunications Carriers									
Gogo, LLC	First Lien Term Loan	LIBOR (Q)	1.50%	9.75%	11.25%	6/21/2017	\$19,083,140	18,579,398	19,650,000
Gogo, LLC	First Lien Term Loan B-2	LIBOR (Q)	1.00%	6.50%	7.50%	3/21/2018	\$5,510,950	5,414,893	5,345,000
								23,994,291	25,000,000
Total Debt Investments								1,128,140,974	1,113,000,000

Equity Securities

Edgar Filing: TCP Capital Corp. - Form 10-Q

Architectural, Engineering, and Related Services				
Alion Science & Technology Corporation	Warrants	300	-	3
Basic Chemical Manufacturing				
Green Biologics, Inc.	Warrants to Purchase Stock	376,147	272,594	276,8
Business Support Services				
Findly Talent, LLC	Membership Units	708,229	230,938	162,1
STG-Fairway Holdings, LLC	Class A Units	841,479	943,287	2,917
			1,174,225	3,079
Communications Equipment Manufacturing				
Wasserstein Cosmos Co-Invest, L.P.	Limited Partnership Units	5,000,000	5,000,000	4,175
Data Processing, Hosting, and Related Services				
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	916,5
Rightside Group, Ltd.	Warrants	498,855	2,778,622	693,7
			29,489,670	1,610
Electrical Equipment and Component Manufacturing				
NEXTracker, Inc.	Series B Preferred Stock	268,817	999,999	999,9
NEXTracker, Inc.	Warrants to Purchase Stock	357,022	370,118	385,0
			1,370,117	1,385
Financial Investment Activities				
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	16,87
Full-Service Restaurants				
RM Holdco, LLC		24	-	792

Edgar Filing: TCP Capital Corp. - Form 10-Q

RM Holdco, LLC	Equity Participation Membership Units	13,161,000	2,010,777	-
			2,010,777	792
Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing				
Precision Holdings, LLC	Class C Membership Interest	33	-	1,469
Nonmetallic Mineral Mining and Quarrying				
EPMC HoldCo, LLC	Membership Units	1,312,720	-	682,6
Nonscheduled Air Transportation				
Flight Options Holdings I, Inc.	Warrants to Purchase Common Stock	1,843	1,274,000	3,311
Radio and Television Broadcasting				
SiTV, Inc.	Warrants to Purchase Common Stock	233,470	300,322	331,5
Retail				
Shop Holding, LLC	Class A Units	507,167	480,049	379,6
Shop Holding, LLC	Warrants to Purchase Class A Units	326,691	-	3
			480,049	379,6
Scheduled Air Transportation Aircraft Leased to Delta Air Lines, Inc.				
N913DL	Trust Beneficial Interests	1,009	87,287	117,4
N918DL	Trust Beneficial Interests	829	94,907	135,8
N954DL	Trust Beneficial Interests	775	110,643	72,60

Edgar Filing: TCP Capital Corp. - Form 10-Q

N955DL	Trust Beneficial Interests	749	109,549	111,0
N956DL	Trust Beneficial Interests	756	109,486	106,8
N957DL	Trust Beneficial Interests	749	110,163	107,6
N959DL	Trust Beneficial Interests	743	110,838	108,5
N960DL	Trust Beneficial Interests	726	113,477	107,8
N961DL	Trust Beneficial Interests	737	112,742	102,8
N976DL	Trust Beneficial Interests	883	97,111	102,0
Aircraft Leased to United Airlines, Inc.				
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests	525	2,548,939	3,177
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests	509	2,495,032	3,078
			6,100,174	7,329

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Value	% of Port
<u>Equity Securities</u>										
<u>(continued)</u>										
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing										
KAGY Holding Company, Inc.	Series A Preferred Stock						9,778	\$1,091,200	\$121,975	0.0
Semiconductor and Other Electronic Component Manufacturing										
Ichor Systems Holdings, LLC	Membership Units						352	-	229,504	0.0
Soraa, Inc.	Warrants to Purchase Common Stock						315,000	408,987	-	-
								408,987	229,504	0.0
Software Publishers										
Blackline Intermediate, Inc.	Warrants to Purchase Common Stock						1,232,731	522,678	789,441	0.0
Wired Telecommunications Carriers										
Integra Telecom, Inc.	Common Stock						1,274,522	8,433,885	5,295,511	0.4
Integra Telecom, Inc.	Warrants						346,939	19,920	226,482	0.0
V Telecom Investment S.C.A.(Luxembourg)	Common Shares						1,393	3,236,256	3,699,127	0.3
								11,690,061	9,221,120	0.7
Total Equity Securities								61,357,548	32,942,771	2.8

Edgar Filing: TCP Capital Corp. - Form 10-Q

Total Investments					1,189,498,522	1,146,535,886	
<u>Cash and Cash</u>							
<u>Equivalents</u>							
Union Bank of California	Commercial Paper	Fixed -	0.03%	1/2/2015		6,999,994	0.0
Cash Denominated in Foreign Currencies						192,187	0.0
Cash Held on Account at Various Institutions						20,076,611	1.7
Cash and Cash Equivalents						27,268,792	2.3
Total Cash and Investments						\$1,173,804,678	10.0

Notes to Consolidated Schedule of Investments:

Investments in bank debt generally are bought and sold among institutional investors in transactions not subject to (A) registration under the Securities Act of 1933. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.

Non-controlled affiliate – as defined under the Investment Company Act of 1940 (ownership of between 5% and (B) 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.

(C) Non-income producing security.

(D) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. (See Note 2)

(E) Restricted security.. (See Note 2)

Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the (F) outstanding voting securities of this issuer). Investment is not more than 50% owned nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.

(G) Investment has been segregated to collateralize certain unfunded commitments.

Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying (H) asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment (I) is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(J)

Edgar Filing: TCP Capital Corp. - Form 10-Q

Publicly traded company with a market capitalization greater than \$250 million and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(K) Negative balances relate to an unfunded commitment that was acquired and valued at a discount.

(L) In addition to the stated coupon, investment has a back-end fee payable upon repayment of the loan in the amount of 4.0% for Soraa, 8.0% for VitAg, 1.5% for Enerwise, 2.5% for NEXTracker, and 7.0% for Green Biologics.

(M) All cash and investments, except those referenced in Notes G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.

LIBOR or EURIBOR resets monthly (M), quarterly (Q), semiannually (S), annually (A).

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$669,515,626, and \$266,008,974 respectively, for the twelve months ended December 31, 2014. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2014 was \$1,146,535,883, or 97.7% of total cash and investments of the Company.

Options and swaps at December 31, 2014 were as follows:

Investment	Notional Amount	Fair Value
Interest Rate Cap with Deutsche Bank AG, 4%, expires 5/15/2016	\$25,000,000	\$497
Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 3/31/2017	\$16,401,467	\$1,717,610

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Investment income				
Interest income:				
Companies less than 5% owned	\$32,171,144	\$24,699,976	\$98,581,508	\$65,174,101
Companies 5% to 25% owned	1,516,596	1,728,834	3,828,262	4,423,013
Companies more than 25% owned	125,074	214,091	444,168	706,553
Dividend income:				
Companies 5% to 25% owned	-	-	-	1,968,748
Lease income:				
Companies 5% to 25% owned	-	74,038	-	282,581
Companies more than 25% owned	354,958	262,905	978,000	726,477
Other income:				
Companies less than 5% owned	1,331,277	210,622	3,420,283	1,164,938
Total investment income	35,499,049	27,190,466	107,252,221	74,446,411
Operating expenses				
Management and advisory fees	4,703,999	3,513,238	13,681,411	9,504,317
Interest expense	3,746,722	2,535,555	10,488,383	4,012,167
Legal fees, professional fees and due diligence expenses	425,796	268,710	1,994,571	828,102
Amortization of deferred debt issuance costs	548,798	545,294	1,623,333	1,347,442
Administrative expenses	394,920	392,794	1,177,357	1,029,069
Commitment fees	315,206	243,147	919,649	650,209
Insurance expense	99,876	83,996	272,677	202,823
Director fees	67,625	88,395	233,465	255,776
Custody fees	74,891	54,369	214,141	166,025
Other operating expenses	866,249	264,778	2,182,452	1,033,422
Total operating expenses	11,244,082	7,990,276	32,787,439	19,029,352
Net investment income	24,254,967	19,200,190	74,464,782	55,417,059
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	5,735,352	544,212	(3,714,114)	(5,317,388)
Investments in companies 5% to 25% owned	395	383,670	1,185	383,670
Investments in companies more than 25% owned	-	-	19,167	-
Net realized gain (loss)	5,735,747	927,882	(3,693,762)	(4,933,718)
Change in net unrealized appreciation/depreciation	(7,621,948)	(5,433,060)	28,123	2,596,620
Net realized and unrealized gain (loss)	(1,886,201)	(4,505,178)	(3,665,639)	(2,337,098)
Net increase in net assets from operations	22,368,766	14,695,012	70,799,143	53,079,961

Edgar Filing: TCP Capital Corp. - Form 10-Q

Gain on repurchase of Series A preferred interests	-	-	1,675,000	-
Dividends on Series A preferred equity facility	(460,836)	(357,451)	(1,251,930)	(1,083,263)
Net change in accumulated dividends on Series A preferred equity facility	398,541	(4,718)	497,790	5,394
Distributions of incentive allocation to the General Partner from:				
Net investment income	(4,838,534)	(3,767,604)	(14,742,130)	(10,867,837)
Net change in reserve for incentive allocation	-	901,035	-	467,419
Net increase in net assets applicable to common shareholders resulting from operations	\$17,467,937	\$11,466,274	\$56,977,873	\$41,601,674
Basic and diluted earnings per common share	\$0.36	\$0.29	\$1.17	\$1.11
Basic and diluted weighted average common shares outstanding	48,957,567	40,079,914	48,858,263	37,507,497

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Consolidated Statements of Changes in Net Assets

	Common Stock		Paid in Capital	Accumulated Net Investment Income	Accumulated Net Realized Losses	Accumulated Net Unrealized Depreciation	Non-controlling Interest	Equity
	Shares	Par Amount	in Excess of Par					Assets
Balance at December 31, 2013	36,199,916	\$36,200	\$667,842,020	\$24,016,095	\$(105,800,278)	\$(35,314,199)	\$(1,168,583)	\$5
Issuance of common stock in public offering, net	12,110,000	12,110	201,127,367	-	-	-	-	2
Issuance of common stock from at the market offerings, net	400,255	400	6,420,026	-	-	-	-	6
Issuance of common stock from dividend reinvestment plan	456	-	7,687	-	-	-	-	7
Issuance of convertible debt	-	-	2,515,594	-	-	-	-	2
Net investment income	-	-	-	77,292,563	-	-	-	7
Net realized and unrealized loss	-	-	-	-	(21,118,867)	(6,185,711)	-	(
Dividends on Series A preferred equity facility	-	-	-	(1,438,172)	-	-	-	(
General Partner incentive allocation	-	-	-	(15,170,877)	-	-	1,168,583	(
Regular dividends paid to common shareholders	-	-	-	(58,867,403)	-	-	-	(
Special dividends paid to common shareholders	-	-	-	(4,245,526)	-	-	-	(
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	-	-	(808,813)	297,701	511,112	-	-	-
Balance at December 31, 2014	48,710,627	\$48,710	\$877,103,880	\$21,884,381	\$(126,408,033)	\$(41,499,910)	\$-	\$7

Edgar Filing: TCP Capital Corp. - Form 10-Q

Issuance of common stock from at the market offerings, net	248,614	249	3,945,817	-	-	-	-	3
Issuance of common stock from dividend reinvestment plan	404	-	6,012	-	-	-	-	6
Repurchase of common stock	(25,147)	(25)	(372,818)					(
Gain on repurchase of Series A preferred interests	-	-	-	-	1,675,000	-	-	1
Net investment income	-	-	-	74,464,782	-	-	-	7
Net realized and unrealized gain (loss)	-	-	-	-	(3,693,762)	28,123	-	(
Dividends on Series A preferred equity facility	-	-	-	(754,140)	-	-	-	(
General Partner incentive allocation	-	-	-	(14,742,130)	-	-	-	(
Regular dividends paid to common shareholders	-	-	-	(52,786,506)	-	-	-	(
Balance at September 30, 2015	48,934,498	\$48,934	\$880,682,891	\$28,066,387	\$(128,426,795)	\$(41,471,787)	\$-	\$7

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September	
	30,	
	2015	2014
Operating activities		
Net increase in net assets applicable to common shareholders resulting from operations	\$56,977,873	\$41,601,674
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash used in operating activities:		
Net realized loss	3,693,762	4,933,718
Change in net unrealized appreciation/depreciation of investments	(374,026)	(2,614,461)
Gain on repurchase of Series A preferred interests	(1,675,000)	-
Dividends paid on Series A preferred equity facility	1,251,930	1,083,263
Net change in accumulated dividends on Series A preferred equity facility	(497,790)	(5,394)
Net change in reserve for incentive allocation	-	(467,419)
Accretion of original issue discount on investments	(9,198,452)	(3,044,889)
Net accretion of market discount/premium	(54,404)	(1,152,021)
Accretion of original issue discount on convertible debt	308,402	114,671
Interest and dividend income paid in kind	(4,854,335)	(4,366,287)
Amortization of deferred debt issuance costs	1,623,333	1,347,442
Changes in assets and liabilities:		
Purchases of investment securities	(418,493,733)	(481,674,735)
Proceeds from sales, maturities and pay downs of investments	305,505,796	177,994,806
Increase in accrued interest income - companies less than 5% owned	(4,039,131)	(3,394,734)
Increase in accrued interest income - companies 5% to 25% owned	(496,698)	(235,265)
Decrease in accrued interest income - companies more than 25% owned	10,957	9,790
Decrease in receivable for investments sold	8,991,647	3,605,964
Decrease (increase) in prepaid expenses and other assets	795,661	(991,312)
Increase (decrease) in payable for investments purchased	5,798,002	(13,456,911)
Increase (decrease) in payable to the Advisor	271,345	(709,816)
Increase in interest payable	2,069,047	2,051,097
Increase in incentive allocation payable	535,494	448,704
Decrease in accrued expenses and other liabilities	(584,783)	(273,166)
Net cash used in operating activities	(52,435,104)	(279,195,281)
Financing activities		
Borrowings	415,300,000	519,500,000
Repayments of debt	(169,000,000)	(293,000,000)
Repurchase of Series A preferred interests	(132,325,000)	-
Payments of debt issuance costs	(3,766,618)	(5,866,168)
Dividends paid on Series A preferred equity facility	(1,251,930)	(1,083,263)
Regular dividends paid to common shareholders	(52,786,506)	(43,141,625)
Repurchase of common shares	(372,843)	-
Proceeds from shares issued in connection with dividend reinvestment plan	6,012	5,509
Proceeds from common shares sold, net of underwriting and offering costs	3,946,066	103,940,721

Edgar Filing: TCP Capital Corp. - Form 10-Q

Net cash provided by financing activities	59,749,181	280,355,174
Net increase in cash and cash equivalents	7,314,077	1,159,893
Cash and cash equivalents at beginning of period	27,268,792	22,984,182
Cash and cash equivalents at end of period	\$34,582,869	\$24,144,075
Supplemental cash flow information		
Interest payments	\$8,110,934	\$1,846,399
Excise tax payments	\$877,879	\$938,460

See accompanying notes to the consolidated financial statements.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)

September 30, 2015

1. Organization and Nature of Operations

TCP Capital Corp. (the “Company”) is a Delaware corporation formed on April 2, 2012 as an externally managed, closed-end, non-diversified management investment company. The Company elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). The Company’s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. The Company invests primarily in the debt of middle-market companies as well as small businesses, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, the Company may make equity investments directly. The Company was formed through the conversion on April 2, 2012 of the Company’s predecessor, Special Value Continuation Fund, LLC, from a limited liability company to a corporation in a non-taxable transaction, leaving the Company as the surviving entity. On April 3, 2012, the Company completed its initial public offering.

Investment operations are conducted in Special Value Continuation Partners, LP, a Delaware limited partnership (the “Partnership”), of which the Company owns 100% of the common limited partner interests, or in one of the Partnership’s wholly owned subsidiaries, TCPC Funding I, LLC, a Delaware limited liability company (“TCPC Funding”) and TCPC SBIC, LP, a Delaware limited partnership (the “SBIC”). The Partnership has also elected to be treated as a BDC under the 1940 Act. The SBIC was organized in June 2013, and on April 22, 2014, received a license from the United States Small Business Administration (the “SBA”) to operate as a small business investment company under the provisions of Section 301(c) of the Small Business Investment Act of 1958. These consolidated financial statements include the accounts of the Company, the Partnership, TCPC Funding and the SBIC. All significant intercompany transactions and balances have been eliminated in the consolidation.

The Company has elected to be treated as a regulated investment company (“RIC”) for U.S. federal income tax purposes. As a RIC, the Company will not be taxed on its income to the extent that it distributes such income each year and satisfies other applicable income tax requirements. The Partnership, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes.

The general partner of the Partnership is SVOF/MM, LLC, which also serves as the administrator of the Company and the Partnership (the “Administrator” or the “General Partner”). The managing member of the General Partner is Tennenbaum Capital Partners, LLC (the “Advisor”), which serves as the investment manager to the Company, the Partnership, TCPC Funding, and the SBIC. Most of the equity interests in the General Partner are owned directly or indirectly by the Advisor and its employees.

Company management consists of the Advisor and the Company’s board of directors. Partnership management consists of the General Partner and the Partnership’s board of directors. The Advisor and the General Partner direct and execute the day-to-day operations of the Company and the Partnership, respectively, subject to oversight from the respective board of directors, which sets the broad policies of the Company and performs certain functions required by the 1940 Act in the case of the Partnership. The board of directors of the Partnership has delegated investment management of the Partnership’s assets to the Advisor. Each board of directors consists of five persons, three of whom are independent.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification (“ASC”) Topic 946, Financial Services – Investment Companies. The following is a summary of the significant accounting policies of the Company and the Partnership.

Reclassifications

Certain prior period amounts relating to lease income have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and differences could be material.

Investment Valuation

The Company’s investments are generally held by the Partnership, TCPC Funding, or the SBIC. Management values investments at fair value in accordance with GAAP, based upon the principles and methods of valuation set forth in policies adopted by the board of directors. Fair value is generally defined as the amount for which an investment would be sold in an orderly transaction between market participants at the measurement date.

All investments are valued at least quarterly based on affirmative pricing or quotations from independent third- party sources, with the exception of investments priced directly by the Advisor which together comprise, in total, less than 5% of the capitalization of the Partnership. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued for financial reporting purposes as of the last business day of the reporting period using the closing price on the date of valuation. Liquid investments not listed on a recognized exchange or market quotation system are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

Investments not priced by a pricing service or for which market quotations are either not readily available or are determined to be unreliable are priced at fair value using affirmative valuations performed by independent valuation services approved by the board of directors or, for investments aggregating less than 5% of the total capitalization of the Partnership, using valuations determined directly by the Advisor. Such valuations are determined under a documented valuation policy that has been reviewed and approved by the boards of directors.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Pursuant to this policy, investment professionals of the Advisor provide recent portfolio company financial statements and other reporting materials to independent valuation firms as applicable, which firms evaluate such materials along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented and discussed with senior management of the Advisor. The audit committee of the board of directors discusses the valuations, and the board of directors approves the fair value of the investments in good faith based on the input of the Advisor, the respective independent valuation firms as applicable, and the audit committee of the board of directors.

Generally, to increase objectivity in valuing the investments, the Advisor will utilize external measures of value, such as public markets or third-party transactions, whenever possible. The Advisor's valuation is not based on long-term work-out value, immediate liquidation value, nor incremental value for potential changes that may take place in the future. The values assigned to investments that are valued by the Advisor are based on available information and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. The foregoing policies apply to all investments, including those in companies and groups of affiliated companies aggregating more than 5% of the Company's assets.

Fair valuations of investments in each asset class are determined using one or more methodologies including the market approach, income approach, or, in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that may be taken into account include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, the principal market in which the investment trades and enterprise values, among other factors.

Investments may be categorized based on the types of inputs used in valuing such investments. The level in the GAAP valuation hierarchy in which an investment falls is based on the lowest level input that is significant to the valuation of the investment in its entirety. Transfers between levels are recognized as of the beginning of the reporting period.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

At September 30, 2015, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	\$-	\$-	\$-
2	Other observable market inputs * Independent third-party pricing sources that employ significant	101,347,633	43,940,470	-
3	unobservable inputs	986,414,413	94,850,874	39,055,086
3	Advisor valuations with significant unobservable inputs	1,124,503	-	2,427,660
	Total	\$1,088,886,549	\$138,791,344	\$41,482,746

* For example, quoted prices in inactive markets or quotes for comparable investments

Unobservable inputs used in the fair value measurement of Level 3 investments as of September 30, 2015 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	\$ 763,574,930	Market rate approach	Market yields	4.3% - 22.7%
	152,703,450	Market quotations	Indicative bid/ask quotes	(12.0%)
	45,619,986	Market comparable companies	Revenue multiples	1 - 4 (1) 0.4x - 5.8x
	25,640,550	Market comparable companies	EBITDA multiples	(3.0x) 3.3x - 16.5x
Other Corporate Debt	4,889,204	Market rate approach	Market yields	13.2%
	80,693,670	Market quotations	Indicative bid/ask quotes	(13.2%)
	9,268,000	Market comparable companies	EBITDA multiples	1 - 2 (1) 7.3x (7.3x)
Equity	7,801,506	Market rate approach	Market yields	5.9% - 26.2%
	6,553,914	Market quotations	Indicative bid/ask quotes	(8.0%)
	3,020,806	Market comparable companies	Revenue multiples	1 - 2(1) 0.4x - 6.0x
	24,106,520	Market comparable companies	EBITDA multiples	(3.0x) 4.8x - 11.0x
	\$ 1,123,872,536			(7.0x)

Generally, a change in an unobservable input may result in a change to the value of an investment as follows:

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Market yields	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the three months ended September 30, 2015 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$908,884,909	\$96,136,194	\$38,634,245
Net realized and unrealized gains (losses)	(3,214,866)	(1,285,320)	6,167,397
Acquisitions	111,630,494	-	2,750,607
Dispositions	(30,596,992)	-	(8,497,163)
Reclassifications within Level 3 **	(289,132) [†]	-	-
Ending balance	\$986,414,413	\$94,850,874	\$39,055,086

Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$ (1,862,003)	\$ (1,285,320)	\$ 4,284,045
--	-----------------	-----------------	--------------

** Comprised of one investment that reclassified from Advisor Valuation

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$(383,918) [†]	\$ -	\$2,455,417
Net realized and unrealized gains (losses)	149,870	-	(26,540)
Acquisitions	1,076,312	-	-
Dispositions	(6,893)	-	(1,217)
Reclassifications within Level 3 *	289,132	-	-
Ending balance	\$1,124,503	\$ -	\$2,427,660

Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$ 149,870	\$ -	\$ 201,750
--	------------	------	------------

* Comprised of one investment that reclassified to Independent Third-Party Valuation

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

There were no transfers between Level 1 and 2 during the three months ended September 30, 2015.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the nine months ended September 30, 2015 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$840,538,179	\$56,621,975	\$30,618,142
Net realized and unrealized gains (losses)	(14,665,802)	897,833	13,506,731
Acquisitions	406,576,197	300,149	5,266,261
Dispositions	(223,620,986)	(2,516,390)	(10,336,048)
Transfers out of Level 3 ‡	(36,143,175)	(16,311,095)	-
Transfers into Level 3 §	13,730,000	51,247,224	-
Reclassifications within Level 3 **	-	4,611,178	-
Ending balance	\$986,414,413	\$94,850,874	\$39,055,086
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$(11,815,486)	\$841,634	\$7,600,170

‡ Comprised of five investments that transferred to Level 2 due to increased observable market activity

§ Comprised of three investments that transferred from Level 2 due to reduced trading volumes

** Comprised of one investment that reclassified from Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$-	\$4,611,178	\$2,324,629
Net realized and unrealized gains (losses)	134,445	-	104,248
Acquisitions	1,725,243	-	-
Dispositions	(735,185)	-	(1,217)
Reclassifications within Level 3 *	-	(4,611,178)	-
Ending balance	\$1,124,503	\$-	\$2,427,660
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$134,445	\$-	\$332,538

* Comprised of one investment that reclassified to Independent Third-Party Valuation

There were no transfers between Level 1 and 2 during the nine months ended September 30, 2015.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

At December 31, 2014, the Company's investments were categorized as follows:

Level Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1 Quoted prices in active markets for identical assets	\$-	\$-	\$-
2 Other observable market inputs * Independent third-party pricing sources that employ significant	131,946,338	79,875,445	-
3 unobservable inputs	840,538,179	56,621,975	30,618,142
3 Advisor valuations with significant unobservable inputs	-	4,611,178	2,324,629
Total	\$972,484,517	\$ 141,108,598	\$32,942,771

* For example, quoted prices in inactive markets or quotes for comparable investments

Changes in investments categorized as Level 3 during the three months ended September 30, 2014 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$580,830,991	\$50,098,573	\$26,851,302
Net realized and unrealized gains (losses)	(2,348,229)	(266,272)	996,648
Acquisitions	205,639,764	5,624	4,046,906
Dispositions	(33,252,537)	-	(1,006,480)
Transfers out of Level 3 ‡	(28,782,948)	-	-
Transfers into Level 3 §	17,131,420	2,682,500	-
Reclassifications within Level 3 **	(455,459)†	-	1,115,183
Ending balance	\$738,763,002	\$52,520,425	\$32,003,559

Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) \$(1,011,779) \$(266,272) \$629,452

‡ Comprised of three investments that transferred to Level 2 due to increased observable market activity

§ Comprised of three investments that transferred from Level 2 due to reduced trading volumes

** Comprised of three investments that reclassified from Advisor Valuation and one investment that reclassified to Advisor Valuation

† Negative balance relates to an unfunded commitment that was acquired and valued at a discount

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ (455,459) †	\$ 4,307,107	\$ 2,389,805
Net realized and unrealized gains (losses)	-	24,993	16,074
Reclassifications within Level 3 *	455,459	-	(1,115,183)
Ending balance	\$ -	\$ 4,332,100	\$ 1,290,696
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$ -	\$ 24,993	\$ 16,075

* Comprised of three investments that reclassified to Independent Third-Party Valuation and one investment that reclassified from Independent Third-Party Valuation

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

There were no transfers between Level 1 and 2 during the three months ended September 30, 2014.

Changes in investments categorized as Level 3 during the nine months ended September 30, 2014 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ 515,953,643	\$ 53,334,634	\$ 36,066,746
Net realized and unrealized gains (losses)	47,146	(14,913)	(1,335,910)
Acquisitions	424,280,318	174,943	5,882,955
Dispositions	(115,964,311)	(22,549,239)	(10,046,998)
Transfers out of Level 3 †	(89,614,594)	-	-
Transfers into Level 3 ‡	4,060,800	21,575,000	-
Reclassifications within Level 3 §	-	-	1,436,766
Ending balance	\$ 738,763,002	\$ 52,520,425	\$ 32,003,559
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$ 1,089,298	\$ 1,005,398	\$ (1,075,632)

† Comprised of nine investments that transferred to Level 2 due to increased observable market activity

‡ Comprised of two investments that transferred from Level 2 due to reduced trading volumes

§ Comprised of two investments that reclassified from Advisor Valuation and one that reclassified to Advisor Valuation

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$4,060,800	\$7,631,335	\$2,837,707
Net realized and unrealized losses	-	(504,281)	(313,703)
Acquisitions	-	4,303,962	230,937
Dispositions	(4,060,800)	(7,098,916)	(27,479)
Reclassifications within Level 3 **	-	-	(1,436,766)
Ending balance	\$-	\$4,332,100	\$1,290,696
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$-	\$166,619	\$(341,183)

** Comprised of two investments that reclassified to Independent Third-Party Valuation and one that reclassified from Independent Third-Party Valuation

There were no transfers between Level 1 and 2 during the nine months ended September 30, 2014.

Investment Transactions

Investment transactions are recorded on the trade date, except for private transactions that have conditions to closing, which are recorded on the closing date. The cost of investments purchased is based upon the purchase price plus those professional fees which are specifically identifiable to the investment transaction. Realized gains and losses on investments are recorded based on the specific identification method, which typically allocates the highest cost inventory to the basis of investments sold.

Cash and Cash Equivalents

Cash consists of amounts held in accounts with brokerage firms and the custodian bank. Cash equivalents consist of highly liquid investments with an original maturity of generally three months or less. Cash and cash equivalents are carried at amortized cost which approximates fair value. Cash equivalents are classified as Level 1 in the GAAP valuation hierarchy.

Restricted Investments

The Company may invest without limitation in instruments that are subject to legal or contractual restrictions on resale. These instruments generally may be resold to institutional investors in transactions exempt from registration or to the public if the securities are registered. Disposal of these investments may involve time-consuming negotiations and additional expense, and prompt sale at an acceptable price may be difficult. Information regarding restricted investments is included at the end of the Consolidated Schedule of Investments. Restricted investments, including any

restricted investments in affiliates, are valued in accordance with the investment valuation policies discussed above.

24

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Foreign Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 1.4% and 1.7% of total investments at September 30, 2015 and December 31, 2014, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at September 30, 2015 and December 31, 2014 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

Investments in foreign companies and securities of foreign governments may involve special risks and considerations not typically associated with investing in U.S. companies and securities of the U.S. government. These risks include, among other things, revaluation of currencies, less reliable information about issuers, different transaction clearance and settlement practices, and potential future adverse political and economic developments. Moreover, investments in foreign companies and securities of foreign governments and their markets may be less liquid and their prices more volatile than those of comparable U.S. companies and the U.S. government.

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Partnership has entered into certain swap and option transactions. All derivatives are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. The transactions entered into are accounted for using the mark-to-market method with the resulting change in fair value recognized in earnings for the current period. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in interest rates and the value of foreign currency relative to the U.S. dollar. The Partnership is required under the terms of its derivative agreement to pledge assets as collateral to secure its obligation under the derivatives. As of September 30, 2015, \$492,045 of cash was pledged as collateral under the Partnership's derivative instrument.

The Partnership did not enter into any new derivative transactions during the nine months ended September 30, 2015. At September 30, 2015, the Partnership held an interest rate cap with a notional amount of \$25,000,000 and a cross currency basis swap with a notional amount of \$16,401,467. Gains and losses from derivatives during the nine months ended September 30, 2015 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Cross currency basis swap	\$ -	\$ 1,151,138
Interest rate cap	-	(497)

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

The Partnership did not enter into any new derivative transactions during the nine months ended September 30, 2014. At September 30, 2014, the Partnership held an interest rate cap with a notional amount of \$25,000,000 and a cross currency basis swap with a notional amount of \$16,401,467. Gains and losses from derivatives during the nine months ended September 30, 2014 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized	Unrealized
	Gains (Losses)	Gains (Losses)
Cross currency basis swaps	\$ -	\$1,402,313
Interest rate cap	-	(12,812)

Valuations of derivatives held at September 30, 2015 and 2014 were determined using observable market inputs other than quoted prices in active markets for identical assets and, accordingly, are classified as Level 2 in the GAAP valuation hierarchy.

Debt Issuance Costs

Costs of approximately \$1.6 million and \$1.5 million were incurred during 2015 and 2013, respectively, in connection with the amendment and extension of the Partnership's credit facility (see Note 4). Costs of approximately \$1.9 million, \$1.8 million and \$1.6 million were incurred during 2015, 2014 and 2013, respectively, in connection with placing and extending TCPC Funding's revolving credit facility (see Note 4). Costs of approximately \$3.4 million were incurred in 2014 in connection with placing the Company's unsecured convertible notes (see Note 4). Costs of approximately \$0.3 million and \$1.5 million were incurred during 2015 and 2014, respectively, in connection with placing the SBIC's SBA debentures (see Note 4). These costs were deferred and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company or the Partnership.

Revenue Recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when receivable and are included in interest income.

Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. GAAP generally requires that discounts on the acquisition of corporate bonds, municipal bonds and treasury bonds be amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal

payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

26

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company intends to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. Accordingly, no provision for income taxes is required in the consolidated financial statements. The income or loss of the Partnership, TCPC Funding and the SBIC is reported in the respective partners' income tax returns. In accordance with ASC Topic 740 – Income Taxes, the Company recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. As of September 30, 2015, all tax years of the Company, the Partnership, TCPC Funding and the SBIC since January 1, 2011 remain subject to examination by federal tax authorities. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of the Partnership's investments (including derivatives) for U.S. federal income tax purposes at September 30, 2015 and December 31, 2014 were as follows:

	September 30, 2015	December 31, 2014
Unrealized appreciation	\$39,427,027	\$32,342,656
Unrealized depreciation	(80,333,641)	(73,638,935)
Net unrealized depreciation	\$(40,906,614)	\$(41,296,279)
Cost	\$1,312,936,001	\$1,189,550,272

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under this new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all entities and, for public entities, is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early application is permitted, but no earlier than annual periods beginning after December 15, 2016 and interim periods within that reporting period. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs, which generally requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. ASU 2015-03 is effective for annual periods beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. In August 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, which clarified the SEC staff's position on presenting

and measuring debt issuance costs incurred in connection with line-of-credit arrangements. ASU 2015-15 should be adopted concurrent with the adoption of ASU 2015-03. The Company does not expect adoption of this guidance to have a material impact on its consolidated financial statements.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

3. Management Fees, Incentive Compensation and Other Expenses

The Company's management fee is calculated at an annual rate of 1.5% of total assets (excluding cash and cash equivalents) on a consolidated basis as of the beginning of each quarter and is payable to the Advisor quarterly in arrears.

Incentive compensation is only paid to the extent the total performance of the Company exceeds a cumulative 8% annual return since January 1, 2013 (the "Total Return Hurdle"). Beginning January 1, 2013, the incentive compensation equals 20% of net investment income (reduced by preferred dividends) and 20% of net realized gains (reduced by any net unrealized losses), subject to the Total Return Hurdle. The incentive compensation is payable quarterly in arrears as an allocation and distribution to the General Partner and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is accrued based on the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. The General Partner's equity interest in the Partnership is comprised entirely of such reserve amount, if any, and is reported as a non-controlling interest in the consolidated financial statements of the Company. As of September 30, 2015 and December 31, 2014, no such reserve was accrued.

The Company and the Partnership bear all respective expenses incurred in connection with the business of the Company and the Partnership, including fees and expenses of outside contracted services, such as custodian, administrative, legal, audit and tax preparation fees, costs of valuing investments, insurance costs, brokers' and finders' fees relating to investments, and any other transaction costs associated with the purchase and sale of investments.

4. Leverage

Leverage is comprised of convertible senior unsecured notes issued by the Company (the "Convertible Notes"), amounts outstanding under a term loan issued by the Partnership (the "Term Loan"), amounts outstanding under a senior secured revolving credit facility issued by the Partnership (the "Revolving Credit Facility," and together with the Term Loan, the "Partnership Facility"), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the "TCPC Funding Facility"), debentures guaranteed by the SBA (the "SBA Debentures"), and amounts outstanding under a preferred equity facility issued by the Partnership (the "Preferred Interests") which were fully repurchased and retired by the Partnership on September 3, 2015.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Total leverage outstanding and available at September 30, 2015 was as follows:

	Maturity	Rate	Carrying Value †	Available	Total Capacity
Partnership Facility					
Revolving Credit Facility	2018	L+1.75%*	\$ 109,000,000	\$ 7,000,000	\$ 116,000,000
Term Loan	2018	L+1.75%*	100,500,000	-	100,500,000
TCPC Funding Facility	2020	L+2.50%*§	221,000,000	129,000,000	350,000,000
Convertible Notes (\$108 million par)	2019	5.25%	106,005,233	-	106,005,233
SBA Debentures	2024-2025	2.84%**	38,800,000	36,200,000	75,000,000 ‡
Total leverage			\$ 575,305,233	\$ 172,200,000	\$ 747,505,233

*Based on either LIBOR or the lender's cost of funds, subject to certain limitations

Except for the Convertible Notes, all carrying values are the same as the principal amounts outstanding

§ Or L+2.25% subject to certain funding requirements

** Weighted-average interest rate, excluding fees of 0.36%

‡ Anticipated total capacity of \$150 million

Total leverage outstanding and available at December 31, 2014 was as follows:

	Maturity	Rate	Carrying Value †	Available	Total Capacity
Partnership Facility					
Revolving Credit Facility	2016	L+2.50%*	\$ 70,000,000	\$ 46,000,000	\$ 116,000,000
TCPC Funding Facility	2017	L+2.50%*	125,000,000	125,000,000	250,000,000
Convertible Notes (\$108 million par)	2019	5.25%	105,696,830	-	105,696,830
SBA Debentures	2024-2025	3.02%**	28,000,000	47,000,000	75,000,000 ‡
Preferred Interests	2016	L+0.85%*	134,000,000	-	134,000,000
Total leverage			\$ 462,696,830	\$ 218,000,000	\$ 680,696,830

*Based on either LIBOR or the lender's cost of funds, subject to certain limitations

Except for the Convertible Notes, all carrying values are the same as the principal amounts outstanding

Interest rate on pooled loans of \$18.5 million, excluding fees of 0.36%. As of December 31, 2014, the remaining

** \$9.5 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 0.56% plus fees of 0.36% through March 25, 2015, the date of the next SBA pooling

‡ Anticipated total capacity of \$150 million

The combined weighted-average interest and dividend rates on total leverage outstanding at September 30, 2015 and December 31, 2014 were 2.96% and 2.86%, respectively.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Total expenses related to debt include:

	Nine Months Ended	
	September 30,	
	2015	2014
Interest expense	\$10,488,383	\$4,012,167
Amortization of deferred debt issuance costs	1,623,333	1,347,442
Commitment fees	919,649	650,209
Total	\$13,031,365	\$6,009,818

Amounts outstanding under the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of September 30, 2015, the estimated fair values of the Partnership Facility and the SBA Debentures approximated their carrying values, and the TCPC Funding Facility and Convertible Notes had estimated fair values of \$223.1 million and \$107.5 million, respectively. The estimated fair values of the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures are determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. At September 30, 2015, the fair values of the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Notes

On June 11, 2014, the Company issued \$108 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the Partnership Facility and the TCPC Funding Facility. The Company does not have the right to redeem the Convertible Notes prior to maturity. The Convertible Notes bear interest at an annual rate of 5.25%, payable semi-annually. In certain circumstances, the Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 50.9100 shares of common stock per one thousand dollar principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilution adjustments. The initial conversion price was approximately 12.5% above the \$17.46 per share closing price of the Company's common stock on June 11, 2014. At September 30, 2015, the principal amount of the Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

Prior to the close of business on the business day immediately preceding June 15, 2019, holders may convert their Convertible Notes only under certain circumstances set forth in the indenture governing the terms of the Convertible Notes (the "Indenture"). On or after June 15, 2019 until the close of business on the scheduled trading day immediately preceding December 15, 2019, holders may convert their Convertible Notes at any time. Upon conversion, the Company will pay or deliver, as the case may be, at its election, cash, shares of the Company's common stock or a

combination of cash and shares of the Company's common stock, subject to the requirements of the Indenture.

30

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

The Convertible Notes are accounted for in accordance with ASC Topic 470-20 – Debt with Conversion and Other Options. Upon conversion of any Convertible Note, the Company intends to pay the outstanding principal amount in cash and to the extent that the conversion value exceeds the principal amount, has the option to pay the excess amount in cash or shares of common stock (or a combination of cash and shares), subject to the requirements of the Indenture. The Company has determined that the embedded conversion option in the Convertible Notes is not required to be separately accounted for as a derivative under GAAP. At the time of issuance the estimated values of the debt and equity components of the Convertible Notes were approximately 97.7% and 2.3%, respectively.

The original issue discount equal to the equity component of the Convertible Notes was recorded in “paid-in capital in excess of par” in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company will record interest expense comprised of both stated interest and accretion of the original issue discount. At the time of issuance, the equity component was \$2,515,594. As of September 30, 2015, the components of the carrying value of the Convertible Notes were as follows:

Principal amount of debt	\$ 108,000,000
Original issue discount, net of accretion	(1,994,767)
Carrying value of debt	\$ 106,005,233

For the nine months ended September 30, 2015, the components of interest expense for the Convertible Notes were as follows:

Stated interest expense	\$4,252,500
Accretion of original issue discount	308,402
Total interest expense	\$4,560,902

The estimated effective interest rate of the debt component of the Convertible Notes, equal to the stated interest of 5.25% plus the accretion of the original issue discount, was approximately 5.75% for the nine months ended September 30, 2015.

Partnership Facility

The Partnership Facility consists of a \$100.5 million fully-drawn senior secured term loan and a senior secured revolving credit facility which provides for amounts to be drawn up to \$116 million, subject to certain collateral and other restrictions. The Partnership Facility matures on July 31, 2018. Most of the cash and investments held directly by the Partnership, as well as the net assets of TCPC Funding and the SBIC, are included in the collateral for the facility.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Advances under the Partnership Facility through July 31, 2014 bore interest at an annual rate equal to 0.44% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership Facility for periods from July 31, 2014 through September 3, 2015 bore interest at an annual rate equal to 2.5% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership Facility from September 3, 2015 through July 31, 2016 bear interest at an annual rate equal to 1.75% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership facility from July 31, 2016 through the maturity date of the facility will bear interest at an annual rate of 2.5% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). In addition to amounts due on outstanding debt, the Revolving Credit Facility accrues commitment fees of 0.20% per annum on the unused portion of the facility, or 0.25% per annum when less than \$46.4 million in borrowings are outstanding. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should the Partnership fail to satisfy certain financial or other covenants. As of September 30, 2015, the Partnership was in full compliance with such covenants.

SBA Debentures

As of September 30, 2015, the SBIC is able to issue up to \$75 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of September 30, 2015, the Partnership had committed \$75 million of regulatory capital to the SBIC, \$58.0 million of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of LIBOR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

SBA Debentures outstanding as of September 30, 2015 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	\$18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
		\$38,800,000	2.84 %*	

*Weighted-average interest rate

TCPC Funding Facility

The TCPC Funding Facility is a senior secured revolving credit facility which provides for amounts to be drawn up to \$350 million, subject to certain collateral and other restrictions. The facility's maturity is March 6, 2020, subject to extension by the lender at the request of TCPC Funding. The facility contains an accordion feature which allows for expansion of the facility to up to \$400 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding are included in the collateral for the facility.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus 2.25% per annum, or LIBOR plus 2.50% per annum subject to certain funding requirements, plus an administration fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 0.75% per annum when the unused portion is greater than 33% of the total facility and an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of September 30, 2015, TCPC Funding was in full compliance with such covenants.

Preferred Interests

As of September 30, 2015, the Partnership had fully repurchased and retired all outstanding Preferred Interests. The Preferred Interests were comprised of 6,700 Series A preferred limited partner interests with a liquidation preference of \$20,000 per interest. The Preferred Interests accrued dividends at an annual rate equal to 0.85% plus either LIBOR or the interest holder's cost of funds (subject to a cap of LIBOR plus 20 basis points).

On June 30, 2015, the Partnership repurchased and retired 1,675 of the previously outstanding 6,700 Preferred Interests at a price of \$31,825,000. On September 3, 2015, the Partnership repurchased and retired the remaining 5,025 Preferred Interests outstanding at a price of \$100,500,000.

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk

The Partnership, TCPC Funding and the SBIC conduct business with brokers and dealers that are primarily headquartered in New York and Los Angeles and are members of the major securities exchanges. Banking activities are conducted with a firm headquartered in the San Francisco area.

In the normal course of business, investment activities involve executions, settlement and financing of various transactions resulting in receivables from, and payables to, brokers, dealers and the custodian. These activities may expose the Company and the Partnership to risk in the event that such parties are unable to fulfill contractual obligations. Management does not anticipate any material losses from counterparties with whom it conducts business. Consistent with standard business practice, the Company, the Partnership, TCPC Funding and the SBIC enter into contracts that contain a variety of indemnifications, and are engaged from time to time in various legal actions. The maximum exposure under these arrangements and activities is unknown. However, management expects the risk of material loss to be remote.

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

5. Commitments, Contingencies, Concentration of Credit Risk and Off-Balance Sheet Risk (continued)

The Consolidated Schedule of Investments includes certain revolving loan facilities and other commitments held by the Partnership with unfunded balances at September 30, 2015 and December 31, 2014 as follows:

Issuer	Maturity	Unfunded Balances	
		September 30, 2015	December 31, 2014
ABG Intermediate Holdings 2, LLC	5/27/2022	\$ 534,571	\$ N/A
AP Gaming I, LLC	12/20/2018	12,500,000	7,500,000
Acrisure, LLC	11/19/2022	4,680,367	4,482,352
Alpheus Communications, LLC	5/31/2018	1,072,256	749,919
Anuvia Plant Nutrients Holdings, LLC (VitAG)	2/1/2018	4,300,000	4,300,000
Asset International, Inc.	7/31/2020	1,180,920	3,753,551
Blue Coat Systems, Inc.	5/31/2018	N/A	12,000,000
Cargojet Airways, LTD.	1/31/2023	14,457,306	N/A
Central MN Renewables, LLC	1/16/2016	2,100,000	N/A
Daymark Financial Acceptance, LLC	1/12/2020	20,000,000	N/A
Edmentum, Inc.	6/9/2020	3,368,586	N/A
Enerwise Global Technologies, Inc.	11/30/2017	7,500,000	7,500,000
InMobi, Inc.	9/1/2018	11,854,959	N/A
MediMedia USA, Inc.	5/20/2018	3,642,500	3,875,000
Mesa Air Group, Inc.	7/15/2022	13,575,000	13,575,000
NEXTracker, Inc.	7/1/2016	N/A	15,000,000
Redaptive, Inc.	7/1/2018	15,000,000	N/A
RM OpCo, LLC (Real Mex)	3/30/2018	1,259,355	1,889,033
SoundCloud Limited	10/1/2018	9,014,286	N/A
SunEdison, Inc.	2/28/2017	9,379,246	9,379,246
Vistronix, LLC	12/4/2018	342,597	570,996
Waterfall International, Inc.	9/1/2018	3,200,000	N/A
Total Unfunded Balances		\$ 138,961,949	\$ 84,575,096

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

6. Related Party Transactions

The Company, the Partnership, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Partnership advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. From time to time, the Advisor advances payments to third parties on behalf of the Company and the Partnership and receives reimbursement from the Company and the Partnership. At September 30, 2015, amounts reimbursable to the Advisor totaled \$731,172, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to administration agreements between the Administrator and each of the Company and the Partnership (the "Administration Agreements"), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Company or the Partnership, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Company or the Partnership. For the nine months ended September 30, 2015 and 2014, expenses allocated pursuant to the Administration Agreements totaled \$1,118,418 and \$1,002,418, respectively.

On November 25, 2014, the Company and the Partnership obtained an exemptive order (the "Exemptive Order") from the Securities and Exchange Commission permitting the Company and the Partnership to purchase certain investments from affiliated investment companies at fair value. The Exemptive Order exempts the Company and the Partnership from provisions of Sections 17(a) and 57(a) of the 1940 Act which would otherwise restrict such transfers. All such purchases are subject to the conditions set forth in the Exemptive Order, which among others include certain procedures to verify that each purchase is done at the current fair value of the respective investment. During the nine months ended September 30, 2015, the Company purchased approximately \$94.5 million of investments from affiliates (as defined in the 1940 Act), which were classified as Level 2 in the GAAP valuation hierarchy at the time of the transfer and the selling party has no continuing involvement in the transferred assets. All of the transfers were consummated in accordance with the provisions of the Exemptive Order and were accounted for as a purchase in accordance with ASC 860, Transfers and Servicing.

7. Stockholders' Equity and Dividends

The following table summarizes the total shares issued and proceeds received in the public offering of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the nine months ended September 30, 2015.

	Shares Issued	Price Per Share	Net Proceeds
At-the-market offerings	248,614	\$ 15.87*	\$ 3,946,066
Shares issued from dividend reinvestment plan	404	14.86*	6,012

*Weighted-average price per share

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

7. Stockholders' Equity and Dividends (continued)

The following table summarizes the total shares issued and proceeds received in the public offering of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the year ended December 31, 2014.

	Shares Issued	Price Per Share	Net Proceeds
August 1, 2014 public offering	6,210,000	\$17.33	\$103,940,721
November 26, 2014 public offering	5,900,000	17.05	97,198,756
At-the-market offerings	400,225	16.04*	6,420,426
Shares issued from dividend reinvestment plan	456	16.86*	7,687

*Weighted-average price per share

The Company's dividends are recorded on the ex-dividend date. The following table summarizes the Company's dividends declared and paid for the nine months ended September 30, 2015:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
March 10, 2015	March 19, 2015	March 31, 2015	Regular	\$ 0.36	\$ 17,535,826
May 7, 2015	June 16, 2015	June 30, 2015	Regular	0.36	17,625,370
August 6, 2015	September 16, 2015	September 30, 2015	Regular	0.36	17,625,310
				\$ 1.08	\$ 52,786,506

The following table summarizes the Company's dividends declared and paid for the nine months ended September 30, 2014:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
March 6, 2014	March 17, 2014	March 31, 2014	Regular	\$ 0.36	\$13,031,970
May 7, 2014	June 18, 2014	June 30, 2014	Regular	0.36	13,032,007
May 7, 2014	June 18, 2014	June 30, 2014	Special	0.05	1,810,001
August 7, 2014	September 16, 2014	September 3, 2014	Regular	0.36	15,267,647
				\$ 1.13	\$43,141,625

On February 24, 2015, the Company's board of directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50 million in the aggregate of the Company's common stock at prices at certain thresholds

below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. Unless extended or terminated by its board of directors, the Company expects that the Company Repurchase Plan will be in effect through the earlier of two trading days after the Company's third quarter 2015 earnings release or such time as the approved \$50 million repurchase amount has been fully utilized, subject to certain conditions. The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the nine months ended September 30, 2015.

	Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan	25,147	\$14.81*	\$372,843

*Weighted-average price per share

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

8. Earnings Per Share

In accordance with ASC 260, Earnings per Share, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the nine months ended September 30, 2015 and 2014:

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Net increase in net assets applicable to common shareholders resulting from operations	\$56,977,873	\$41,601,674
Weighted average shares outstanding	48,858,263	37,507,497
Earnings per share	\$1.17	\$1.11

9. Subsequent Events

On November 3, 2015, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's annual 2015 earnings release or such time as the approved \$50 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2015, the board of directors of the Company voted to add an additional independent director, Brian F. Wruble, to the board of directors effective as of November 5, 2015.

On November 5, 2015, the Company's board of directors declared a fourth quarter regular dividend of \$0.36 per share payable on December 31, 2015 to stockholders of record as of the close of business on December 17, 2015.

37

Table of Contents

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

10. Financial Highlights

	Nine Months Ended September 30,			
	2015		2014	
Per Common Share				
Per share NAV at beginning of period	\$ 15.01		\$ 15.18	
Investment operations:				
Net investment income	1.52		1.48	
Net realized and unrealized losses	(0.07	)	(0.06)
Dividends on Series A preferred equity facility	(0.01	)	(0.03)
Incentive allocation reserve and distributions	(0.30	)	(0.28)
Total from investment operations	1.14		1.11	
Issuance of common stock	-		0.20	
Issuance of convertible debt	-		0.07	
Repurchase of Series A preferred interests	0.03		-	
Distributions to common shareholders from:				
Net investment income	(1.08	)	(1.13)
Per share NAV at end of period	\$ 15.10		\$ 15.43	
Per share market price at end of period	\$ 13.56		\$ 16.07	
Total return based on market value ^{(1), (2)}	(12.8	%)	2.5	%)
Total return based on net asset value ^{(1),(3)}	7.8	%)	9.1	%)
Shares outstanding at end of period	48,934,498		42,410,242	

38

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates ⁽¹⁾ (Unaudited)

Nine Months Ended September 30, 2015

10. Financial Highlights (continued)

	Nine Months Ended September			
	30,			
	2015		2014	
Ratios to average common equity: ^{(4), (5)}				
Net investment income ⁽⁶⁾	11.5	%	11.0	%
Expenses	5.9	%	4.4	%
Expenses and incentive allocation ⁽⁷⁾	7.9	%	6.3	%
Ending common shareholder equity	\$ 738,899,630		\$ 654,553,128	
Portfolio turnover rate	25.3	%	20.2	%
Weighted-average leverage outstanding ⁽⁸⁾	\$ 505,921,876		\$ 179,507,606	
Weighted-average interest rate on leverage ⁽⁹⁾	3.0	%	3.0	%
Weighted-average number of common shares	48,858,263		37,507,497	
Average leverage per share ⁽⁸⁾	\$ 10.35		\$ 4.79	

⁽¹⁾Not annualized.⁽²⁾Total return based on market value equals the change in ending market value per share during the period plus declared dividends per share during the period, divided by the market value per share at the beginning of the period.⁽³⁾Total return based on net asset value equals the change in net asset value per share during the period plus declared dividends per share during the period, divided by the beginning net asset value per share at the beginning of the period.⁽⁴⁾Annualized, except for incentive allocation.⁽⁵⁾These ratios include interest expense but do not reflect the effect of dividends on the preferred equity facility.⁽⁶⁾Net of incentive allocation.⁽⁷⁾Includes incentive allocation payable to the General Partner and all Company expenses.⁽⁸⁾Includes both debt and preferred leverage.⁽⁹⁾Includes dividends on the preferred leverage facility.

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates ⁽¹⁾ (Unaudited)

Nine Months Ended September 30, 2015

Security	Dividends or Interest (2)	Fair Value at December 31, 2014	Acquisitions (3)	Dispositions (4)	Fair Value at September 30, 2015
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	\$443,132	\$4,869,577	\$-	\$-	\$4,869,577
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16	764,610	9,017,764	250,236	-	9,268,000
Anacomp, Inc., Class A Common Stock	-	916,535	665,429	-	1,581,964
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	-	-	11,737,772	(673,951)	11,063,821
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	-	-	2,557,459	-	2,557,459
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	-	-	2,105,370	(2,105,366)	3
Edmentum Ultimate Holdings, LLC, Class A Common Units	-	-	680,218	-	680,218
EPMC HoldCo, LLC, Membership Units	-	682,614	-	-	682,614
Essex Ocean II, LLC, Membership Units	-	-	199,430	-	199,430
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	996,866	14,656,950	120,478	(263,201)	14,514,227
KAGY Holding Company, Inc., Series A Preferred Stock	-	121,975	4,243,350	-	4,365,325
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	104,586	1,659,003	-	(999,744)	659,259
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	117,000	1,899,950	-	(992,327)	907,623
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	10,286	209,168	-	(69,556)	139,612
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	17,033	320,440	-	(61,508)	258,932
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	23,762	437,679	315	(70,535)	367,458
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	25,167	460,258	539	(67,833)	392,963
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	24,993	457,902	479	(68,984)	389,397
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	25,387	464,283	544	(68,425)	396,402
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	25,778	470,601	612	(67,874)	403,338
	27,156	493,258	831	(66,777)	427,312

Edgar Filing: TCP Capital Corp. - Form 10-Q

N960DL Aircraft Secured Mortgage, 8%, due 10/20/19					
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	26,608	484,908	694	(68,460)	) 417,143
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	19,410	314,588	-	(71,456)	) 243,132
N913DL Equipment Trust Beneficial Interests	18,399	117,497	67,498	(74,879)	) 110,116
N918DL Equipment Trust Beneficial Interests	15,200	135,890	60,946	(67,037)	) 129,800
N954DL Equipment Trust Beneficial Interests	15,208	72,604	84,638	(80,813)	) 76,429
N955DL Equipment Trust Beneficial Interests	14,331	111,010	77,650	(79,828)	) 108,833
N956DL Equipment Trust Beneficial Interests	14,449	106,800	79,184	(80,927)	) 105,056
N957DL Equipment Trust Beneficial Interests	14,229	107,682	78,827	(80,593)	) 105,915
N959DL Equipment Trust Beneficial Interests	14,013	108,579	78,478	(80,261)	) 106,796
N960DL Equipment Trust Beneficial Interests	13,283	107,865	78,555	(80,008)	) 106,411
N961DL Equipment Trust Beneficial Interests	13,607	102,826	80,388	(81,410)	) 101,805
N976DL Equipment Trust Beneficial Interests	14,916	102,006	75,991	(76,920)	) 101,078
RM Holdco, LLC, Equity Participation	-	792	-	(792)) -
RM Holdco, LLC, Membership Units	-	-	-	-) -
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	204,710	3,900,025	13,996	(149,762)	) 3,764,259
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	544,806	6,457,325	542,885	(1,893,876)	) 5,106,334
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	177,706	2,567,717	180,623	(9,650)	) 2,738,690
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	123,274	1,636,314	122,889	(13,934)	) 1,745,268
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	80,483	631,164	705,314	-	) 1,336,478
United N659UA-767, LLC (N659UA)	418,257	3,177,822	937,274	(804,361)	) 3,310,735
United N661UA-767, LLC (N661UA)	412,105	3,078,923	908,965	(748,785)	) 3,239,103
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	-	4,175,000	1,050,000	(1,026,500)	) 4,198,500

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

(1) The issuers of the securities listed on this schedule are considered affiliates under the Investment Company Act of 1940 due to the ownership by the Company of 5% or more of the issuers' voting securities.

(2) Also includes fee and lease income as applicable.

(3) Acquisitions include new purchases, PIK income and net unrealized appreciation.

(4) Dispositions include decreases in the cost basis from sales, paydowns, mortgage amortizations, aircraft depreciation and net unrealized depreciation.

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates ⁽¹⁾

Year Ended December 31, 2014

Security	Dividends or Interest ⁽²⁾	Fair Value at January 1, 2014	Acquisitions ⁽³⁾	Dispositions ⁽⁴⁾	Fair Value at December 31, 2014
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	\$327,716	\$2,056,927	\$2,812,650	\$ -	\$4,869,577
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,268,000	-	(250,236)	9,017,764
Anacomp, Inc., Class A Common Stock	-	1,004,422	-	(87,887)	916,535
EPMC HoldCo, LLC, Membership Units	-	1,562,137	969,968	(1,849,491)	682,614
ESP Holdings, Inc., Cumulative Preferred 15%	1,968,748	3,947,862	239,170	(4,187,032)	-
ESP Holdings, Inc., Common Stock	289,315	2,856,346	6,981,836	(9,838,181)	-
ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 6% Cash + 10% PIK, due 12/31/19	205,175	7,959,369	-	(7,959,369)	-
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,344,702	15,097,500	1,500	(442,050)	14,656,950
KAGY Holding Company, Inc., Series A Preferred Stock	-	662,134	-	(540,159)	121,975
N510UA Aircraft Secured Mortgage, 20%, due 10/26/16	52,092	404,605	-	(404,605)	-
N512UA Aircraft Secured Mortgage, 20%, due 10/26/16	53,275	414,010	-	(414,010)	-
N536UA Aircraft Secured Mortgage, 16%, due 9/29/14	4,678	114,000	-	(114,000)	-
N545UA Aircraft Secured Mortgage, 16%, due 8/29/15	25,964	275,405	-	(275,405)	-
N585UA Aircraft Secured Mortgage, 20%, due 10/25/16	27,571	486,115	-	(486,115)	-
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	262,962	2,948,986	-	(1,289,983)	1,659,003
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	274,461	3,171,026	-	(1,271,076)	1,899,950
N510UA Equipment Trust Beneficial Interests	86,342	465,625	285,805	(751,430)	-
N512UA Equipment Trust Beneficial Interests	85,549	458,277	281,999	(740,276)	-
N536UA Equipment Trust Beneficial Interests	40,259	656,766	80,397	(737,163)	-
N545UA Equipment Trust Beneficial Interests	107,483	641,840	163,935	(805,775)	-

Edgar Filing: TCP Capital Corp. - Form 10-Q

N585UA Equipment Trust Beneficial Interests	31,098	571,706	322,126	(893,832)) -
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	19,714	296,820	-	(87,652)	) 209,168
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	28,023	397,290	-	(76,850)	) 320,440
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	37,801	524,620	-	(86,941)	) 437,679
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	39,443	543,320	-	(83,062)	) 460,258
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	39,309	542,640	-	(84,738)	) 457,902
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	39,787	548,250	-	(83,967)	) 464,283
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	40,262	553,520	-	(82,919)	) 470,601
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	42,013	574,430	-	(81,172)	) 493,258
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	41,423	568,310	-	(83,402)	) 484,908
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	28,046	404,600	-	(90,012)	) 314,588
N913DL Equipment Trust Beneficial Interests	18,477	125,970	85,559	(94,032)	) 117,497
N918DL Equipment Trust Beneficial Interests	14,907	142,970	82,257	(89,336)	) 135,890
N954DL Equipment Trust Beneficial Interests	14,119	68,000	112,356	(107,752)	) 72,604
N955DL Equipment Trust Beneficial Interests	13,186	113,560	103,886	(106,436)	) 111,010
N956DL Equipment Trust Beneficial Interests	13,244	108,800	105,904	(107,904)	) 106,800
N957DL Equipment Trust Beneficial Interests	12,996	109,650	105,488	(107,456)	) 107,682
N959DL Equipment Trust Beneficial Interests	12,756	110,500	105,095	(107,016)	) 108,579
N960DL Equipment Trust Beneficial Interests	11,868	109,650	104,892	(106,676)	) 107,865
N961DL Equipment Trust Beneficial Interests	12,161	103,870	107,504	(108,548)	) 102,826
N976DL Equipment Trust Beneficial Interests	13,666	103,033	101,533	(102,560)	) 102,006
RM Holdco, LLC, Equity Participation	-	-	-	-	-
RM Holdco, LLC, Membership Units	-	-	-	-	-
RM Holdco, LLC, Subordinated	-	-	-	-	-
Convertible Term Loan, 1.12% PIK, due 3/21/18	58,663	2,197,621	3,026,338	(5,223,959)) -
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	400,651	3,626,947	465,190	(192,112)	) 3,900,025
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	1,349,228	6,825,328	1,327,860	(1,695,863)	) 6,457,325

Edgar Filing: TCP Capital Corp. - Form 10-Q

RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	444,445	2,150,088	437,146	(19,517	)	2,567,717
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	279,505	1,370,199	274,827	(8,712	)	1,636,314
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	6,107	-	631,164			631,164
United N659UA-767, LLC (N659UA)	443,575	2,840,323	1,126,014	(788,515	)	3,177,822
United N661UA-767, LLC (N661UA)	436,533	2,852,677	1,092,004	(865,758	)	3,078,923
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	-	5,000,000	-	(825,000	)	4,175,000

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

- (1) The issuers of the securities listed on this schedule are considered affiliates under the Investment Company Act of 1940 due to the ownership by the Partnership of 5% or more of the issuers' voting securities.
- (2) Also includes fee and lease income as applicable.
- (3) Acquisitions include new purchases, PIK income and net unrealized appreciation.
- (4) Dispositions include decreases in the cost basis from sales, paydowns, mortgage amortizations, aircraft depreciation and net unrealized depreciation.

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

September 30, 2015

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17	3/5/12
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Findly Talent, LLC, Membership Units	1/1/14
Flight Options Holdings I, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
Hunt Companies, Inc., Senior Secured Notes, 9.625%, due 3/1/21	2/25/14
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC Common Interest Units	9/10/12
NEXTracker, Inc., Series B Preferred Stock	Var. 2014 & 2015
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Precision Holdings, LLC, Class C Membership Interests	Var. 2010 & 2011
Rightside Group, Ltd, Warrants	8/6/14
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Shop Holding, LLC (Connexity), Warrants to Purchase Class A Units	6/2/11
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/2015
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
The Telx Group, Inc., Senior Notes, 13.5% PIK, due 7/9/21	4/9/14
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

Table of Contents

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2014

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17 (144A)	3/5/12
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Carolina Beverage Group, LLC, Secured Notes, 10.625%, due 8/1/18	7/26/13
Constellation Enterprises, LLC, Senior Secured 1st Lien Notes, 10.625%, due 2/1/16	1/20/11
Findly Talent, LLC, Membership Units	1/1/14
Flight Options Holdings I, Inc., Warrants to Purchase Common Stock	12/4/13
Green Biologics, Inc., Warrants to purchase Stock	12/22/14
Hunt Companies, Inc., Senior Secured Notes, 9.625%, due 3/1/21	2/25/14
Ichor Systems Holdings, LLC, Membership Units	Var. 2009 & 2010
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC Common Interest Units	9/10/12
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Warrants to purchase Stock	12/17/14
Precision Holdings, LLC, Class C Membership Interests	Var. 2010 & 2011
Rightside Group, Ltd, Warrants	8/6/14
Shop Holding, LLC, Class A Units	6/2/11
Shop Holding, LLC, Convertible Promissory Note, 5%, due 8/5/15	2/5/14
Shop Holding, LLC, Warrants to Purchase Class A Units	6/2/11
SiTV, Inc., Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
SiTV, Inc., Warrants to Purchase Common Stock	8/3/12
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
STG-Fairway Holdings, LLC, Class A Units	12/30/10
The Telx Group, Inc., Senior Notes, 13.5% PIK, due 7/9/21	4/9/14
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
V Telecom Investment S.C.A, Common Shares	11/9/12

Table of Contents

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities (Unaudited)

September 30, 2015

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments:				
Companies less than 5% owned	\$-	\$1,187,883,822	\$-	\$1,187,883,822
Companies 5% to 25% owned	-	66,890,774	-	66,890,774
Companies more than 25% owned	-	14,386,043	-	14,386,043
Investment in subsidiary	844,221,411	-	(844,221,411)	-
Total investments	844,221,411	1,269,160,639	(844,221,411)	1,269,160,639
Cash and cash equivalents	-	34,582,869	-	34,582,869
Deferred debt issuance costs	2,545,331	7,298,942	-	9,844,273
Receivable for investment securities sold	-	1,969,722	-	1,969,722
Accrued interest income	-	14,029,310	-	14,029,310
Unrealized appreciation on swaps	-	2,868,748	-	2,868,748
Options (cost \$51,750)	-	-	-	-
Prepaid expenses and other assets	607,048	774,508	-	1,381,556
Total assets	847,373,790	1,330,684,738	(844,221,411)	1,333,837,117
Liabilities				
Debt	106,005,233	469,300,000	-	575,305,233
Payable for investment securities purchased	-	7,847,520	-	7,847,520
Incentive allocation payable	-	4,838,534	-	4,838,534
Interest payable	1,665,416	1,914,612	-	3,580,028
Payable to the Advisor	350,526	380,646	-	731,172
Accrued expenses and other liabilities	452,985	2,182,015	-	2,635,000
Total liabilities	108,474,160	486,463,327	-	594,937,487
Non-controlling interest				
General Partner interest in Special Value Continuation Partners, LP	-	-	-	-
Net assets	\$738,899,630	\$844,221,411	\$(844,221,411)	\$738,899,630
Composition of net assets				
Common stock	\$48,934	\$-	\$-	\$48,934
Additional paid-in capital	880,682,891	982,458,328	(982,458,328)	880,682,891
Accumulated deficit	(141,832,195)	(138,236,917)	138,236,917	(141,832,195)
Net assets	\$738,899,630	\$844,221,411	\$(844,221,411)	\$738,899,630

Table of Contents

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2014

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments:				
Companies less than 5% owned	\$-	\$1,081,901,384	\$-	\$1,081,901,384
Companies 5% to 25% owned	-	48,716,425	-	48,716,425
Companies more than 25% owned	-	15,918,077	-	15,918,077
Investment in subsidiary	833,816,090	-	(833,816,090)	-
Total investments	833,816,090	1,146,535,886	(833,816,090)	1,146,535,886
Cash and cash equivalents	-	27,268,792	-	27,268,792
Receivable for investment securities sold	-	10,961,369	-	10,961,369
Accrued interest income	-	9,504,438	-	9,504,438
Deferred debt issuance costs	3,058,913	4,642,075	-	7,700,988
Unrealized appreciation on swaps	-	1,717,610	-	1,717,610
Options (cost \$51,750)	-	497	-	497
Receivable from subsidiary	1,031,498	-	(1,031,498)	-
Prepaid expenses and other assets	176,692	2,000,525	-	2,177,217
Total assets	838,083,193	1,202,631,192	(834,847,588)	1,205,866,797
Liabilities				
Debt	105,696,830	223,000,000	-	328,696,830
Incentive allocation payable	-	4,303,040	-	4,303,040
Payable for investment securities purchased	-	2,049,518	-	2,049,518
Interest payable	247,917	1,263,064	-	1,510,981
Payable to the Investment Manager	130,967	328,860	-	459,827
Payable to parent	-	1,031,498	(1,031,498)	-
Accrued expenses and other liabilities	878,451	2,341,332	-	3,219,783
Total liabilities	106,954,165	234,317,312	(1,031,498)	340,239,979
Preferred equity facility				
Series A preferred limited partner interests	-	134,000,000	-	134,000,000
Accumulated dividends on Series A preferred equity facility	-	497,790	-	497,790
Total preferred limited partner interests	-	134,497,790	-	134,497,790
Non-controlling interest				
General Partner interest in Special Value Continuation Partners, LP	-	-	-	-
Net assets	\$731,129,028	\$833,816,090	\$(833,816,090)	\$731,129,028

Edgar Filing: TCP Capital Corp. - Form 10-Q

Composition of net assets

Common stock	\$48,710	\$-	\$-	\$48,710
Additional paid-in capital	877,103,880	978,731,888	(978,731,888)	877,103,880
Accumulated deficit	(146,023,562)	(144,915,798)	144,915,798	(146,023,562)
Non-controlling interest	-	-	-	-
Net assets	\$731,129,028	\$833,816,090	\$(833,816,090)	\$731,129,028

45

Table of Contents

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Nine Months Ended September 30, 2015

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	\$-	\$98,581,508	\$-	\$98,581,508
Companies 5% to 25% owned	-	3,828,262	-	3,828,262
Companies more than 25% owned	-	444,168	-	444,168
Lease income:				
Companies more than 25% owned	-	978,000	-	978,000
Other income:				
Companies less than 5% owned	153,217	3,267,066	-	3,420,283
Total investment income	153,217	107,099,004	-	107,252,221
Operating expenses				
Management and advisory fees	-	13,681,411	-	13,681,411
Interest expense	4,560,902	5,927,481	-	10,488,383
Legal fees, professional fees and due diligence expenses	1,287,695	706,876	-	1,994,571
Amortization of deferred debt issuance costs	513,581	1,109,752	-	1,623,333
Administration expenses	-	1,177,357	-	1,177,357
Commitment fees	-	919,649	-	919,649
Insurance expense	90,505	182,172	-	272,677
Director fees	76,622	156,843	-	233,465
Custody fees	2,625	211,516	-	214,141
Other operating expenses	921,473	1,260,979	-	2,182,452
Total expenses	7,453,403	25,334,036	-	32,787,439
Net investment income (loss)	(7,300,186)	81,764,968	-	74,464,782
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	-	(3,714,114)	-	(3,714,114)
Investments in companies 5% to 25% owned	-	1,185	-	1,185
Investments in companies more than 5% owned	-	19,167	-	19,167
Net realized loss	-	(3,693,762)	-	(3,693,762)
Change in net unrealized appreciation/depreciation	-	28,123	-	28,123
Net realized and unrealized loss	-	(3,665,639)	-	(3,665,639)
Net increase (decrease) in net assets from operations	(7,300,186)	78,099,329	-	70,799,143
Interest in earnings of subsidiary	64,278,059	-	(64,278,059)	-

Edgar Filing: TCP Capital Corp. - Form 10-Q

Gain on repurchase of Series A preferred interests	-	1,675,000	-	1,675,000
Dividends paid on Series A preferred equity facility	-	(1,251,930)	-	(1,251,930)
Net change in accumulated dividends on Series A preferred equity facility	-	497,790	-	497,790
Distributions of incentive allocation to the General Partner from net investment income	-	-	(14,742,130)	(14,742,130)
Net increase in net assets applicable to equity holders resulting from operations	\$56,977,873	\$79,020,189	\$(79,020,189)	\$56,977,873

46

Table of Contents

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Nine Months Ended September 30, 2014

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	\$-	\$65,174,101	\$-	\$65,174,101
Companies 5% to 25% owned	-	4,423,013	-	4,423,013
Companies more than 25% owned	-	706,553	-	706,553
Dividend income:				
Companies 5% to 25% owned	-	1,968,748	-	1,968,748
Other income:				
Companies less than 5% owned	-	1,164,938	-	1,164,938
Companies 5% to 25% owned	-	282,581	-	282,581
Companies more than 25% owned	-	726,477	-	726,477
Total interest and related investment income	-	74,446,411	-	74,446,411
Operating expenses				
Management and advisory fees	-	9,504,317	-	9,504,317
Interest expense	1,759,234	2,252,933	-	4,012,167
Amortization of deferred debt issuance costs	195,844	1,151,598	-	1,347,442
Administration expenses	-	1,029,069	-	1,029,069
Legal fees, professional fees and due diligence expenses	285,870	542,232	-	828,102
Commitment fees	-	650,209	-	650,209
Director fees	84,487	171,289	-	255,776
Insurance expense	67,547	135,276	-	202,823
Custody fees	2,625	163,400	-	166,025
Other operating expenses	671,530	361,892	-	1,033,422
Total expenses	3,067,137	15,962,215	-	19,029,352
Net investment income (loss)	(3,067,137)	58,484,196	-	55,417,059
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	-	(5,317,388)	-	(5,317,388)
Investments in companies 5% to 25% owned	-	383,670	-	383,670
Net realized loss	-	(4,933,718)	-	(4,933,718)
Net change in unrealized appreciation/depreciation	-	2,596,620	-	2,596,620
Net realized and unrealized gain	-	(2,337,098)	-	(2,337,098)
Net increase (decrease) in net assets from operations	(3,067,137)	56,147,098	-	53,079,961

Edgar Filing: TCP Capital Corp. - Form 10-Q

Interest in earnings of subsidiary	44,668,811	-	(44,668,811)	-
Dividends paid on Series A preferred equity facility	-	(1,083,263)	-	(1,083,263)
Net change in accumulated dividends on Series A preferred equity facility	-	5,394	-	5,394
Distributions of incentive allocation to the General Partner from net investment income	-	-	(10,867,837)	(10,867,837)
Net change in reserve for incentive allocation	-	-	467,419	467,419
Net increase in net assets applicable to equity holders resulting from operations	\$41,601,674	\$55,069,229	\$(55,069,229)	\$41,601,674

47

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information contained in this section should be read in conjunction with our unaudited consolidated financial statements and related notes thereto appearing elsewhere in this quarterly report on Form 10-Q. Some of the statements in this report (including in the following discussion) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or the future performance or financial condition of TCP Capital Corp. (the "Company," "we," "us," or "our"). The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

- our, or our portfolio companies', future business, operations, operating results or prospects;
- the return or impact of current and future investments;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the impact of fluctuations in interest rates on our business;
- the impact of changes in laws or regulations governing our operations or the operations of our portfolio companies;
- our contractual arrangements and relationships with third parties;
- the general economy and its impact on the industries in which we invest;
- the financial condition of and ability of our current and prospective portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our financing resources and working capital;
- the ability of our investment adviser to locate suitable investments for us and to monitor and administer our investments;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the timing, form and amount of any dividend distributions; and
- our ability to maintain our qualification as a regulated investment company and as a business development company.

We use words such as "anticipate," "believe," "expect," "intend," "will," "should," "could," "may," "plan" and similar words to identify forward-looking statements. The forward looking statements contained in this annual report involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth as "Risk Factors" in this report.

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

Table of Contents

Overview

The Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. The Company elected to be treated as a business development company (“BDC”) under the Investment Company Act of 1940, as amended (the “1940 Act”). Our investment objective is to seek to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We invest primarily in the debt of middle-market companies as well as small businesses, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, we may make equity investments directly. Investment operations are conducted either in Special Value Continuation Partners, LP, a Delaware Limited Partnership (the “Partnership”), of which the Company owns 100% of the common limited partner interests, or in one of the Partnership’s wholly-owned subsidiaries, TCPC Funding I, LLC (“TCPC Funding”) and TCPC SBIC, LP (the “SBIC”). The Partnership has also elected to be treated as a BDC under the 1940 Act. The General Partner of the Partnership is SVOF/MM, LLC (“SVOF/MM”), which also serves as the administrator (“Administrator”) of the Company and the Partnership. The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the “Advisor”), which serves as the investment manager to the Company, the Partnership, TCPC Funding, and the SBIC. Most of the equity interests in the General Partner are owned directly or indirectly by the Advisor and its employees. The SBIC was organized as a Delaware limited partnership in June 2013. On April 22, 2014, the SBIC received a license from the United States Small Business Administration (the “SBA”) to operate as a small business investment company under the provisions of Section 301(c) of the Small Business Investment Act of 1958.

The Company has elected to be treated as a regulated investment company (“RIC”) for U.S. federal income tax purposes. As a RIC, the Company will not be taxed on its income to the extent that it distributes such income each year and satisfies other applicable income tax requirements. The Partnership, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes.

On April 2, 2012, Special Value Continuation Fund, LLC (“SVCF”) converted from a limited liability company to a corporation, leaving the Company as the surviving entity. On April 3, 2012, the Company completed its initial public offering.

Our leverage program is comprised of \$116 million in available debt under a senior secured revolving credit facility issued by the Partnership (the “Revolving Credit Facility”), a \$100.5 million term loan issued by the Partnership (the “Term Loan,” and together with the Revolving Credit Facility, the “Partnership Facility”), \$350 million in available debt under a senior secured revolving credit facility issued by TCPC Funding (the “TCPC Funding Facility”), \$108 million in convertible senior unsecured notes issued by the Company (the “Convertible Notes”) and \$75 million in committed leverage from the SBA (the “SBA Program,” and, together with the Partnership Facility, the TCPC Funding Facility, the Convertible Notes, and the SBA Program, the “Leverage Program”).

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Internal Revenue Code of 1986, as amended, for each year. Pursuant to this election, we generally will not have to pay corporate level taxes on any income that we distribute to our stockholders provided that we satisfy those requirements.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than \$250 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We are also permitted to make certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of September 30, 2015, 84.5% of our total assets were invested in qualifying assets.

Revenues

We generate revenues primarily in the form of interest on the debt we hold. We also generate revenue from dividends on our equity interests, capital gains on the disposition of investments, and certain lease, fee, and other income. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Interest on our debt investments is generally payable quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or PIK. Any outstanding principal amount of our debt investments and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, structuring or due diligence fees, end-of-term or exit fees, fees for providing significant managerial assistance, consulting fees and other investment related income.

Table of Contents

Expenses

Our primary operating expenses include the payment of a base management fee and, depending on our operating results, incentive compensation, expenses reimbursable under the management agreement, administration fees and the allocable portion of overhead under the administration agreement. The base management fee and incentive compensation remunerates the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our administration agreement with SVOF/MM, LLC (the “Administrator”) provides that the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to us under the administration agreement, as well as any costs and expenses incurred by the Administrator or its affiliates relating to any non-investment advisory, administrative or operating services provided by the Administrator or its affiliates to us. We also bear all other costs and expenses of our operations and transactions (and the Company’s common stockholders indirectly bear all of the costs and expenses of the Company, the Partnership, TCPC Funding and the SBIC), which may include those relating to:

- our organization;
- calculating our net asset value (including the cost and expenses of any independent valuation firms);
- interest payable on debt, if any, incurred to finance our investments;
- costs of future offerings of our common stock and other securities, if any;
- the base management fee and any incentive compensation;
- dividends and distributions on our preferred shares, if any, and common shares;
- administration fees payable under the administration agreement;
- fees payable to third parties relating to, or associated with, making investments;
- transfer agent and custodial fees;
- registration fees;
- listing fees;
- taxes;
- director fees and expenses;
- costs of preparing and filing reports or other documents with the SEC;
- costs of any reports, proxy statements or other notices to our stockholders, including printing costs;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;

direct costs and expenses of administration, including audit and legal costs; and

all other expenses reasonably incurred by us and the Administrator in connection with administering our business, such as the allocable portion of overhead under the administration agreement, including rent and other allocable portions of the cost of certain of our officers and their respective staffs.

50

Table of Contents

The investment management agreement provides that the base management fee be calculated at an annual rate of 1.5% of our total assets (excluding cash and cash equivalents) payable quarterly in arrears. For purposes of calculating the base management fee, “total assets” is determined without deduction for any borrowings or other liabilities. The base management fee is calculated based on the value of our total assets (excluding cash and cash equivalents) at the end of the most recently completed calendar quarter.

Additionally, the investment management agreement and the Amended and Restated Limited Partnership Agreement provide that the Advisor or its affiliates may be entitled to incentive compensation under certain circumstances. According to the terms of such agreements, no incentive compensation was incurred prior to January 1, 2013. Beginning January 1, 2013, the incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013, with each component being subject to a total return requirement of 8% of contributed common equity annually. The incentive compensation is payable to the General Partner by the Partnership pursuant to the Amended and Restated Limited Partnership Agreement. If the Partnership is terminated or for any other reason incentive compensation is not paid by the Partnership, it would be paid pursuant to the investment management agreement between us and the Advisor. The determination of incentive compensation is subject to limitations under the 1940 Act and the Advisers Act.

Critical accounting policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Management considers the following critical accounting policies important to understanding the financial statements. In addition to the discussion below, our critical accounting policies are further described in the notes to our financial statements.

Valuation of portfolio investments

We value our portfolio investments at fair value based upon the principles and methods of valuation set forth in policies adopted by our board of directors. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Market participants are buyers and sellers in the principal (or most advantageous) market for the asset that (i) are independent of us, (ii) are knowledgeable, having a reasonable understanding about the asset based on all available information (including information that might be obtained through due diligence efforts that are usual and customary), (iii) are able to transact for the asset, and (iv) are willing to transact for the asset or liability (that is, they are motivated but not forced or otherwise compelled to do so).

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. However, short term debt investments with remaining maturities within 90 days are generally valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of our investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our board of directors, who also approve in good faith the valuation of such securities as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such

investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a “forced” sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

The valuation process approved by our board of directors with respect to investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value is as follows:

51

Table of Contents

The investment professionals of the Advisor provide recent portfolio company financial statements and other reporting materials to independent valuation firms approved by our board of directors.

Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented and discussed with senior management of the Advisor.

The fair value of smaller investments comprising in the aggregate less than 5% of our total capitalization may be determined by the Advisor in good faith in accordance with our valuation policy without the employment of an independent valuation firm.

The audit committee of the board of directors discusses the valuations, and the board of directors approves the fair value of the investments in our portfolio in good faith based on the input of the Advisor, the respective independent valuation firms (to the extent applicable) and the audit committee of the board of directors.

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, our principal market (as the reporting entity) and enterprise values.

When valuing all of our investments, we strive to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

Our investments may be categorized based on the types of inputs used in their valuation. The level in the GAAP valuation hierarchy in which an investment falls is based on the lowest level input that is significant to the valuation of the investment in its entirety. Investments are classified by GAAP into the three broad levels as follows:

Level 1 — Investments valued using unadjusted quoted prices in active markets for identical assets.

Level 2 — Investments valued using other unadjusted observable market inputs, e.g. quoted prices in markets that are not active or quotes for comparable instruments.

Level 3 — Investments that are valued using quotes and other observable market data to the extent available, but which also take into consideration one or more unobservable inputs that are significant to the valuation taken as a whole.

As of September 30, 2015, none of our investments were categorized as Level 1, 11.4% were categorized as Level 2, 88.3% were Level 3 investments valued based on valuations by independent third party sources, and 0.3% were Level 3 investments valued based on valuations by the Advisor.

Determination of fair value involves subjective judgments and estimates. Accordingly, the notes to our financial statements express the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on the financial statements.

Table of Contents

Revenue recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis to the extent that such amounts are determined to be collectible. Origination, structuring, closing, commitment and other upfront fees earned with respect to capital commitments, as well as any end-of-term or exit fees receivable upon the repayment of a debt investment, are generally amortized or accreted into interest income over the life of the respective investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income received upon the early repayment of a loan or debt security are included in interest income.

Certain of our debt investments may be purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. GAAP generally requires that discounts on the acquisition of corporate bonds, municipal bonds and treasury bonds be amortized using the effective-interest or constant-yield method. GAAP also requires that we consider the collectability of interest when making accruals. Accordingly, when accounting for discounts and other interest accruals, we recognize income when it is probable that such amounts will be collected.

Net realized gains or losses and net change in unrealized appreciation or depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

Portfolio and investment activity

During the three months ended September 30, 2015, we invested approximately \$120.6 million, comprised of new investments in 7 new and 4 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 98.7% were in senior secured debt, comprised of senior loans (\$116.6 million, or 96.7% of total acquisitions) and senior secured notes (\$2.5 million, or 2.0% of total acquisitions). The remaining \$1.5 million (1.3% of total acquisitions) were equity investments. Additionally, we received approximately \$65.3 million in proceeds from sales or repayments of investments during the three months ended September 30, 2015.

During the nine months ended September 30, 2015 we invested approximately \$423.3 million, comprised of new investments in 16 new and 22 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 99.5% were in senior secured debt, comprised of senior loans (\$379.2 million, or 89.6% of total acquisitions) and senior secured notes (\$41.9 million, or 9.9% of total acquisitions). The remaining \$2.3 million (0.5% of total acquisitions) were equity investments. Additionally, we received approximately \$305.5 million in proceeds from sales or repayments of investments during the nine months ended September 30, 2015.

At September 30, 2015, our investment portfolio of \$1,269.2 million (at fair value) consisted of 91 portfolio companies and was invested 97% in debt investments, of which 100% was in senior secured debt. In aggregate, our investment portfolio was invested 84% in senior secured loans, 13% in senior secured notes, and 3% in equity investments. Our average portfolio company investment at fair value was approximately \$13.9 million. Our largest portfolio company investment by value was approximately \$44.8 million and our five largest portfolio company investments by value comprised approximately 15.6% of our portfolio at September 30, 2015. At December 31, 2014, our investment portfolio of \$1,146.5 million (at fair value) consisted of 84 portfolio companies and was invested 97%

in debt investments, of which 100% was in senior secured debt. In aggregate, our investment portfolio was invested 82% in senior secured loans, 15% in senior secured notes, and 3% in equity investments. Our average portfolio company investment at fair value was approximately \$13.6 million. Our largest portfolio company investment by value was approximately \$41.8 million and our five largest portfolio company investments by value comprised approximately 14% of our portfolio at December 31, 2014.

Table of Contents

The industry composition of our portfolio at fair value at September 30, 2015 was as follows:

Industry	Percent of Total Investments	
Software Publishing	13.8	%
Air Transportation	6.4	%
Computer Systems Design and Related Services	5.7	%
Scientific Research and Development Services	4.8	%
Chemicals	4.5	%
Hospitals	4.2	%
Business Support Services	4.1	%
Radio and Television Broadcasting	3.8	%
Nondepository Credit Intermediation	3.3	%
Insurance Carriers	3.1	%
Wireless Telecommunications Carriers	3.1	%
Wired Telecommunications Carriers	2.8	%
Data Processing and Hosting Services	2.6	%
Textile Furnishings Mills	2.6	%
Grocery Stores	2.5	%
Computer Equipment Manufacturing	2.4	%
Management, Scientific, and Technical Consulting Services	2.0	%
Utility System Construction	2.0	%
Advertising and Public Relations Services	1.9	%
Oil and Gas Extraction	1.8	%
Electronic Component Manufacturing	1.7	%
Other Manufacturing	1.7	%
Real Estate Related Activities	1.7	%
Financial Investment Activities	1.6	%
Other Information Services	1.6	%
Retail	1.6	%
Communications Equipment Manufacturing	1.5	%
Lessors of Nonfinancial Licenses	1.5	%
Accounting, Tax and Payroll Services	1.2	%
Restaurants	1.2	%
Electrical Equipment Manufacturing	1.0	%
Other Telecommunications	1.0	%
Other	5.3	%
Total	100.0	%

The weighted average effective yield of the debt securities in our portfolio was 10.9% at September 30, 2015 and December 31, 2014. At September 30, 2015, 78.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 21.6% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 77.5% at September 30, 2015. At December 31, 2014, 78.3% of our debt investments bore interest based on floating rates, and 21.7% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 83.1% at December 31, 2014.

Table of Contents

Results of operations

Investment income

Investment income totaled \$35.5 million and \$27.2 million, respectively, for the three months ended September 30, 2015 and 2014, of which \$33.8 million and \$26.7 million were attributable to interest on our debt investments, \$0.4 million and \$0.3 million to lease income, and \$1.3 million and \$0.2 million to other income, respectively. The increase in investment income in the three months ended September 30, 2015 compared to the three months ended September 30, 2014 reflects an increase in interest income due to the larger investment portfolio in the three months ended September 30, 2015 compared to the three months ended September 30, 2014 and an increase in other income primarily due to amendment fees received during the three months ended September 30, 2015.

Investment income totaled \$107.3 million and \$74.4 million, respectively, for the nine months ended September 30, 2015 and 2014, of which \$102.9 million and \$70.3 million were attributable to interest on our debt investments, \$0.0 million and \$1.9 million to dividends from equity securities, \$1.0 million and \$1.0 million to lease income and \$3.4 million and \$1.2 million to other income, respectively. The increase in investment income in the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 reflects an increase in interest income due to the larger investment portfolio in the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 and an increase in other income primarily due to amendment and structuring fees received during the nine months ended September 30, 2015, partially offset by a decrease in dividend income.

Expenses

Total operating expenses for the three months ended September 30, 2015 and 2014 were \$11.2 million and \$8.0 million respectively, comprised primarily of \$4.7 million and \$3.5 million in base management fees, \$4.1 million and \$2.8 million in interest expense and commitment fees, \$0.5 million and \$0.5 million in amortization of debt issuance costs, \$0.4 million and \$0.4 million in administrative expenses, \$0.4 million and \$0.3 million in legal and other professional fees, and \$1.1 million and \$0.5 million in other expenses, respectively. The increase in expenses in the three months ended September 30, 2015 compared to the three months ended September 30, 2014 primarily reflects the increase in management fees due to the larger portfolio and the increase in interest expense and other costs related to the increase in available and outstanding debt.

Total operating expenses for the nine months ended September 30, 2015 and 2014 were \$32.8 million and \$19.0 million, respectively, comprised of \$13.7 million and \$9.5 million in base management fees, \$11.4 million and \$4.7 million in interest expense and commitment fees, \$2.0 million and \$0.8 million in legal and professional fees, \$1.6 million and \$1.3 million in amortization of debt issuance costs, \$1.2 million and \$1.0 million in administrative expenses, and \$2.9 million and \$1.7 million in other expenses, respectively. The increase in expenses in the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014 primarily reflects the increase in management fees due to the larger portfolio and the increase in interest expense and other costs related to the increase in available and outstanding debt.

Net investment income

Net investment income was \$24.3 million and \$19.2 million respectively, for the three months ended September 30, 2015 and 2014. The increase in net investment income in the three months ended September 30, 2015 compared to the three months ended September 30, 2014 primarily reflects the increased interest and other income in the three months ended September 30, 2015, partially offset by the increase in expenses.

Net investment income was \$74.5 million and \$55.4 million, respectively, for the nine months ended September 30, 2015 and 2014. The increase in net investment income in the nine months ended September 30, 2015 compared to

the nine months ended September 30, 2014 primarily reflects the increased interest and other income in the nine months ended September 30, 2015, partially offset by the increase in expenses.

Net realized and unrealized gain or loss

Net realized gains for the three months ended September 30, 2015 and 2014 were \$5.7 million and \$0.9 million, respectively. The net realized gain during the three months ended September 30, 2015 was primarily comprised of a \$5.9 million gain on the disposition of most of our investment in NEXTracker, Inc.

For the three months ended September 30, 2015 and 2014, the change in net unrealized appreciation/depreciation was \$(7.6) million and \$(5.4) million, respectively. The change in net unrealized appreciation/depreciation for the three months ended September 30, 2015 was primarily comprised of a \$4.0 million unrealized gain on our investment in KAGY Holding Company, Inc., a \$3.6 million reversal of prior period unrealized appreciation on our investment in NEXTracker, Inc., \$2.4 million in unrealized depreciation on our loan to CORE Entertainment, Inc., and other mark-to-market adjustments primarily due to increases in market yields and spreads. The change in net unrealized depreciation for the three months ended September 30, 2014 was primarily a result of increases in market yield spreads and a markdown on an investment made prior to our initial public offering as part of our legacy distressed strategy which has yielded significant income for many years.

Table of Contents

Net realized losses for the nine months ended September 30, 2015 and 2014 were \$3.7 million and \$4.9 million, respectively. The net realized loss during the nine months ended September 30, 2015 was due primarily to the restructure of our loan to Edmentum, in which we received debt and equity in a delevered company, partially offset by the \$5.9 million gain on the partial disposition of our NEXTracker investment. Net realized loss during the nine months ended September 30, 2014 was due primarily to the disposition of our investment in ESP Holdings, Inc., an investment made prior to our initial public offering as part of our legacy distressed strategy which generated substantial cash interest income. For the nine months ended September 30, 2015 and 2014, the change in net unrealized appreciation was \$0.0 million and \$2.6 million, respectively. The change in net unrealized appreciation for the nine months ended September 30, 2015 and 2014 was primarily due to reversals of prior period net unrealized depreciation and other mark to market adjustments as a result of market yield spreads during the period.

Income tax expense, including excise tax

The Company has elected to be treated as a RIC under Subchapter M of the Internal Revenue Code (“the Code”) and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, the Company must, among other things, timely distribute to its stockholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. The Company has made and intends to continue to make the requisite distributions to its stockholders which will generally relieve the Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at year end as such amounts are known. There was no U.S. federal excise tax recorded during the three and nine months ended September 30, 2015 and 2014.

Gain on repurchase of Series A preferred interests

Gain on repurchase of Series A preferred interests was entirely comprised of a \$1.7 million gain on repurchase of 1,675 Preferred Interests on June 30, 2015 at a price of \$31.8 million.

Dividends to preferred equity holders

Dividends on the Preferred Interests for the three months ended September 30, 2015 and 2014 were \$0.1 million and \$0.4 million, respectively. The decrease in dividends on Preferred Interests during the three months ended September 30, 2015 was due to the full repurchase of the Preferred Interests on September 3, 2015. Dividends on the Preferred Interests for the nine months ended September 30, 2015 and 2014 were \$0.8 million and \$1.1 million, respectively. The decrease in dividends on Preferred Interests during the nine months ended September 30, 2015 was due to the full repurchase of the Preferred Interests on September 3, 2015.

Incentive compensation

Incentive compensation distributable to the General Partner for the three months ended September 30, 2015 and 2014 was \$4.8 million and \$3.8 million, respectively. Incentive compensation distributable to the General Partner for the nine months ended September 30, 2015 and 2014 was \$14.7 million and \$10.9 million, respectively. Incentive compensation for the three and nine months ended September 30, 2015 and 2014 was distributable due to our performance exceeding the cumulative total return threshold. The change in reserve for incentive compensation to the General Partner for the three months ended September 30, 2015 and 2014 was \$0.0 million and a reduction of \$0.9 million, respectively. The change in reserve for incentive compensation to the General Partner for the nine months ended September 30, 2015 and 2014 was \$0.0 million and a reduction of \$0.5 million, respectively. The change in reserve for incentive compensation for the three and nine months ended September 30, 2015 and 2014 represents the change in the amount in excess of distributable incentive compensation which would have been earned by the General

Partner had we liquidated at net asset value at September 30, 2015 and 2014, respectively.

56

Table of Contents

Net increase in net assets resulting from operations

The net increase in net assets resulting from operations was \$17.5 million and \$11.5 million for the three months ended September 30, 2015 and 2014, respectively. The higher net increase in net assets resulting from operations during the three months ended September 30, 2015 is primarily due to the increase in net investment income and the decrease in net realized and unrealized losses, partially offset by the net increase in the incentive allocation. The net increase in net assets resulting from operations was \$57.0 million and \$41.6 million for the nine months ended September 30, 2015 and 2014, respectively. The higher net increase in net assets resulting from operations during the nine months ended September 30, 2015 is primarily due to the increase in net investment income, partially offset by a corresponding increase in the incentive allocation.

Liquidity and capital resources

Since our inception, our liquidity and capital resources have been generated primarily through the initial private placement of common shares of SVCF (the predecessor entity) which were subsequently converted to common stock of the Company, the net proceeds from the initial and secondary public offerings of our common stock, amounts outstanding under our Leverage Program, and cash flows from operations, including investments sales and repayments and income earned from investments and cash equivalents. The primary uses of cash have been investments in portfolio companies, cash distributions to our equity holders, payments to service our Leverage Program and other general corporate purposes.

The following table summarizes the total shares issued and proceeds received in the public offering of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the nine months ended September 30, 2015:

	Shares Issued	Price Per Share	Net Proceeds
At-the-market offerings	248,614	\$15.87*	\$3,946,066
Shares issued from dividend reinvestment plan	404	14.86*	6,012

*Weighted-average price per share

The following table summarizes the total shares issued and proceeds received in the public offering of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the year ended December 31, 2014:

	Shares Issued	Price Per Share	Net Proceeds
August 1, 2014 public offering	6,210,000	\$17.33	\$103,940,721
November 26, 2014 public offering	5,900,000	17.05	97,198,756
At-the-market offerings	400,225	16.04*	6,420,426
Shares issued from dividend reinvestment plan	456	16.86*	7,687

*Weighted-average price per share

On October 3, 2014, we entered into an at-the-market equity offering program (the "ATM Program") with Raymond James & Associates Inc. and Cantor Fitzgerald & Co. through which we may offer and sell, by means of at-the-market offerings from time to time, shares of our common stock having an aggregate offering price of up to \$100,000,000.

We did not issue any shares under the ATM Program during the three months ended September 30, 2015.

On August 4, 2015, the Company's board of directors re-approved the Company's stock repurchase plan (the "Company Repurchase Plan"), pursuant to which the Company may acquire up to \$50 million in the aggregate of the Company's common stock at prices at certain thresholds below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. Unless extended or terminated by its board of directors, the Company expects that the Company Repurchase Plan will be in effect through the earlier of two trading days after the Company's third quarter 2015 earnings release or such time as the approved \$50 million repurchase amount has been fully utilized, subject to certain conditions. The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the nine months ended September 30, 2015:

Table of Contents

	Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan	25,147	\$ 14.81*	\$ 372,843

*Weighted-average price per share

Total leverage outstanding and available at September 30, 2015 was as follows:

	Maturity	Rate	Carrying Value †	Available	Total Capacity
Partnership Facility					
Revolving Credit Facility	2018	L+1.75%*	\$ 109,000,000	\$ 7,000,000	\$ 116,000,000
Term Loan	2018	L+1.75%*	100,500,000	-	100,500,000
TCPC Funding Facility	2020	L+2.50%*§	221,000,000	129,000,000	350,000,000
Convertible Notes (\$108 million par)	2019	5.25%	106,005,233	-	106,005,233
SBA Debentures	2024-2025	2.84%**	38,800,000	36,200,000	75,000,000 ‡
Total leverage			\$ 575,305,233	\$ 172,200,000	\$ 747,505,233

*Based on either LIBOR or the lender's cost of funds, subject to certain limitations

Except for the Convertible Notes, all carrying values are the same as the principal amounts outstanding

§ Or L+2.25% subject to certain funding requirements

** Weighted-average interest rate, excluding fees of 0.36%

‡ Anticipated total capacity of \$150 million

On September 3, 2015, we fully repurchased and retired the remaining 5,025 Preferred Interests outstanding at a price of \$100.5 million and expanded the Partnership Facility with a \$100.5 million fully-drawn term loan and extended the maturity date to July 31, 2018.

On March 6, 2015, we expanded the TCPC Funding Facility by \$50 million to \$300 million, increased the accordion feature by \$50 million to \$350 million and extended the maturity date to March 6, 2019. On August 5, 2015, we expanded the TCPC Funding Facility by \$50 million to \$350 million and increased the accordion feature by \$50 million to \$400 million. On September 1, 2015, we extended the maturity date of the TCPC Funding Facility to March 6, 2020.

On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC LP guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting the SBIC to borrow up to \$150 million more than it would otherwise be able to absent the receipt of this exemptive relief.

Net cash used in operating activities during the nine months ended September 30, 2015 was \$52.4 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of \$113.0 million, partially offset by net investment income less preferred dividends and incentive allocation (net of non-cash income and expenses) of approximately \$60.6 million.

Net cash provided by financing activities was \$59.7 million during the nine months ended September 30, 2015, consisting primarily of \$246.3 million of net borrowings and \$3.9 million of proceeds from common shares sold, reduced by the \$132.3 million repurchase of the Preferred Interests, \$52.8 million in regular dividends on common equity, payment of \$3.8 million in debt issuance costs, \$1.2 million in dividends on the Preferred Interests, and \$0.4 million in common shares repurchases.

At September 30, 2015, we had \$34.6 million in cash and cash equivalents.

The Partnership Facility and the TCPC Funding Facility are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and are subject to compliance with customary affirmative and negative covenants, including the maintenance of a minimum shareholders' equity, the maintenance of a ratio of not less than 200% of total assets (less total liabilities other than indebtedness) to the sum of total preferred equity and indebtedness (excluding indebtedness of TCPC SBIC LP), and restrictions on certain payments and the issuance of debt.

Unfavorable economic conditions may result in a decrease in the value of our investments, which would affect both the asset coverage ratios and the value of the collateral securing the Partnership Facility and the TCPC Funding Facility, and may therefore impact our ability to borrow under the Partnership Facility and the TCPC Funding Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At September 30, 2015, we were in compliance with all financial and operational covenants required by the Leverage Program.

Table of Contents

Unfavorable economic conditions, while potentially creating attractive opportunities for us, may decrease liquidity and raise the cost of capital generally, which could limit our ability to renew, extend or replace the Leverage Program on terms as favorable as are currently included therein. If we are unable to renew, extend or replace the Leverage Program upon the various dates of maturity, we expect to have sufficient funds to repay the outstanding balances in full from our net investment income and sales of, and repayments of principal from, our portfolio company investments, as well as from anticipated debt and equity capital raises, among other sources. Unfavorable economic conditions may limit our ability to raise capital or the ability of the companies in which we invest to repay our loans or engage in a liquidity event, such as a sale, recapitalization or initial public offering. The Partnership Facility, the Convertible Notes and the TCPC Funding Facility mature in July 2018, December 2019, and March 2020, respectively. Any inability to renew, extend or replace the Leverage Program could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

Challenges in the market are intensified for us by certain regulatory limitations under the Code and the 1940 Act. To maintain our qualification as a RIC, we must satisfy, among other requirements, an annual distribution requirement to pay out at least 90% of our ordinary income and short-term capital gains to our stockholders. Because we are required to distribute our income in this manner, and because the illiquidity of many of our investments may make it difficult for us to finance new investments through the sale of current investments, our ability to make new investments is highly dependent upon external financing. While we anticipate being able to continue to satisfy all covenants and repay the outstanding balances under the Leverage Program when due, there can be no assurance that we will be able to do so, which could lead to an event of default.

Contractual obligations

In addition to obligations under our Leverage Program, we have entered into several contracts under which we have future commitments. Pursuant to an investment management agreement, the Advisor manages our day-to-day operations and provides investment advisory services to us. Payments under the investment management agreement are equal to a percentage of the value of our gross assets (excluding cash and cash equivalents) and an incentive compensation, plus reimbursement of certain expenses incurred by the Advisor. Under our administration agreement, the Administrator provides us with administrative services, facilities and personnel. Payments under the administration agreement are equal to an allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to us, and may include rent and our allocable portion of the cost of certain of our officers and their respective staffs. We are responsible for reimbursing the Advisor for due diligence and negotiation expenses, fees and expenses of custodians, administrators, transfer and distribution agents, counsel and directors, insurance, filings and registrations, proxy expenses, expenses of communications to investors, compliance expenses, interest, taxes, portfolio transaction expenses, costs of responding to regulatory inquiries and reporting to regulatory authorities, costs and expenses of preparing and maintaining our books and records, indemnification, litigation and other extraordinary expenses and such other expenses as are approved by the directors as being reasonably related to our organization, offering, capitalization, operation or administration and any portfolio investments, as applicable. The Advisor is not responsible for any of the foregoing expenses and such services are not investment advisory services under the 1940 Act. Either party may terminate each of the investment management agreement and administration agreement without penalty upon not less than 60 days' written notice to the other.

Distributions

Our quarterly dividends and distributions to common stockholders are recorded on the ex-dividend date. Distributions are declared considering our estimate of taxable income available for distribution to stockholders and the amount of taxable income carried over from the prior year for distribution in the current year. We do not have a policy to pay distributions at a specific level and expect to continue to distribute substantially all of our taxable income. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

Table of Contents

The following tables summarize dividends declared for the nine months ended September 30, 2015 and September 30, 2014:

Date Declared	Record Date	Payment Date	Type	Amount	
				Per Share	Total Amount
March 10, 2015	March 19, 2015	March 31, 2015	Regular	\$ 0.36	\$ 17,535,826
May 7, 2015	June 16, 2015	June 30, 2015	Regular	0.36	17,625,370
August 6, 2015	September 16, 2015	September 30, 2015	Regular	0.36	17,625,310
				\$ 1.08	\$ 52,786,506

Date Declared	Record Date	Payment Date	Type	Amount	
				Per Share	Total Amount
March 6, 2014	March 17, 2014	March 31, 2014	Regular	\$ 0.36	\$ 13,031,970
May 7, 2014	June 18, 2014	June 30, 2014	Regular	0.36	13,032,007
May 7, 2014	June 18, 2014	June 30, 2014	Special	0.05	1,810,001
August 7, 2014	September 16, 2014	September 3, 2014	Regular	0.36	15,267,647
				\$ 1.13	\$ 43,141,625

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the nine months ended September 30, 2015 and 2014:

	2015	2014
Shares Issued	404	326
Average Price Per Share	\$ 14.86	\$ 16.90
Proceeds	\$ 6,012	\$ 5,509

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year; and
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our stockholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

We have adopted an “opt in” dividend reinvestment plan for our common stockholders. As a result, if we declare a dividend or other distribution payable in cash, each stockholder that has not “opted in” to our dividend reinvestment plan will receive such dividends in cash, rather than having their dividends automatically reinvested in additional shares of our common stock.

We may not be able to achieve operating results that will allow us to make dividends and distributions at a specific level or to increase the amount of these dividends and distributions from time to time. Also, we may be limited in our ability to make dividends and distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future credit facilities. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. In addition, in accordance with U.S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as PIK interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC and may be subject to an excise tax.

Table of Contents

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes.

Related Parties

We have entered into a number of business relationships with affiliated or related parties, including the following:

Each of the Company, the Partnership, TCPC Funding, and the SBIC has entered into an investment management agreement with the Advisor.

The Administrator provides us with administrative services necessary to conduct our day-to-day operations. For providing these services, facilities and personnel, the Administrator may be reimbursed by us for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance.

- We have entered into a royalty-free license agreement with the Advisor, pursuant to which the Advisor has agreed to grant us a non-exclusive, royalty-free license to use the name "TCP."

Pursuant to its limited partnership agreement, the general partner of the Partnership is SVOF/MM, LLC. SVOF/MM, LLC is an affiliate of the Advisor and the general partners or managing member of certain other funds managed by the Advisor.

The Advisor and its affiliates, employees and associates currently do and in the future may manage other funds and accounts. The Advisor and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds or accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and those accounts. In general, the Advisor will allocate investment opportunities pro rata among us and the other funds and accounts (assuming the investment satisfies the objectives of each) based on the amount of committed capital each then has available. The allocation of certain investment opportunities in private placements is subject to independent director approval pursuant to the terms of the co-investment exemptive order applicable to us. In certain cases, investment opportunities may be made other than on a pro rata basis. For example, we may desire to retain an asset at the same time that one or more other funds or accounts desire to sell it or we may not have additional capital to invest at a time the other funds or accounts do. If the Advisor is unable to manage our investments effectively, we may be unable to achieve our investment objective. In addition, the Advisor may face conflicts in allocating investment opportunities between us and certain other entities that could impact our investment returns. While our ability to enter into transactions with our affiliates is restricted under the 1940 Act, we have received an exemptive order from the SEC permitting certain affiliated investments subject to certain conditions. As a result, we may face conflict of interests and investments made pursuant to the exemptive order conditions which could in certain circumstances affect adversely the price paid or received by us or the availability or size of the position purchased or sold by us.

Recent Developments

From October 1, 2015 through November 4, 2015, the Partnership invested approximately \$15.0 million primarily in three senior secured loans with a combined effective yield of approximately 10.9% and a small yield generating equity position.

Edgar Filing: TCP Capital Corp. - Form 10-Q

On November 3, 2015, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's annual 2015 earnings release or such time as the approved \$50 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2015, the board of directors of the Company voted to add an additional independent director, Brian F. Wruble, to the board of directors effective as of November 5, 2015.

On November 5, 2015, the Company's board of directors declared a fourth quarter regular dividend of \$0.36 per share payable on December 31, 2015 to stockholders of record as of the close of business on December 17, 2015.

Table of Contents

Item 3: Quantitative and qualitative disclosure about market risk

We are subject to financial market risks, including changes in interest rates. At September 30, 2015, 78.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At September 30, 2015, the percentage of our floating rate debt investments that bore interest based on an interest rate floor was 77.5%. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. We assess our portfolio companies periodically to determine whether such companies will be able to continue making interest payments in the event that interest rates increase. There can be no assurances that the portfolio companies will be able to meet their contractual obligations at any or all levels of increases in interest rates.

Based on our September 30, 2015 balance sheet, the following table shows the annual impact on net income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

Basis Point Change	Interest income	Interest Expense	Net Income
Up 300 basis points	\$27,462,610	\$(12,915,000)	\$14,547,610
Up 200 basis points	16,654,872	(8,610,000)	8,044,872
Up 100 basis points	6,014,444	(4,305,000)	1,709,444
Down 100 basis points	(1,052,095)	1,425,386	373,290
Down 200 basis points	(1,052,095)	1,425,386	373,290
Down 300 basis points	(1,052,095)	1,425,386	373,290

Item 4. Controls and Procedures

As of the period covered by this report, we, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on our evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective in timely alerting management, including the chief executive officer and chief financial officer, of material information about us required to be included in our periodic SEC filings. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, are based upon certain assumptions about the likelihood of future events and can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. There has not been any change in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Table of Contents

PART II - Other Information

Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, as of September 30, 2015, we are currently not a party to any pending material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our most recent annual report on Form 10-K, as filed with the Securities and Exchange Commission on March 10, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4: Mine Safety Disclosures.

None.

Item 5: Other Information.

None.

Item 6: Exhibits

Number Description

3.1 Articles of Incorporation of the Registrant (1)

3.2 Bylaws of the Registrant (2)

31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*

31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*

32.1 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U. S. C. 1350)*

* Filed herewith.

⁽¹⁾ Incorporated by reference to Exhibit (a)(2) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on May 13, 2011

⁽²⁾ Incorporated by reference to Exhibit (b)(2) to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on May 13, 2011

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

TCP CAPITAL CORP.

Date: November 5, 2015

By: /s/ Howard M. Levkowitz
Name: Howard M. Levkowitz
Title: Chief Executive Officer

Date: November 5, 2015

By: /s/ Paul L. Davis
Name: Paul L. Davis
Title: Chief Financial Officer