

TCP Capital Corp.  
Form 497  
July 30, 2014

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION](#)

[INDEX TO FINANCIAL STATEMENTS](#)

Table of Contents of Statement of Additional Information

[TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION](#)

[INDEX TO FINANCIAL STATEMENTS](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

**Filed pursuant to Rule 497(c)**

**File No. 333-194669**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated July 2, 2014)

**5,400,000 Shares**

**Common Stock**

**\$93,582,000**

We are offering for sale 5,400,000 shares of our common stock.

We are a holding company (the "Holding Company") with no direct operations of our own, and currently our only business and sole asset is our ownership of all of the common limited partner interests in Special Value Continuation Partners, LP (the "Operating Company"), which represents approximately 100% of the common equity and 80.3% of the combined common equity, preferred equity and general partner interests in the Operating Company as of March 31, 2014. We and the Operating Company are externally managed, closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the Investment Company Act of 1940 (the "1940 Act"). Our and the Operating Company's investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. Both we and the Operating Company seek to achieve this investment objective primarily through investments in debt securities of middle-market companies as well as small businesses. Our primary investment focus is investing in and originating leveraged loans to performing middle-market companies as well as small businesses.

Tennenbaum Capital Partners, LLC (the "Advisor") serves as our and the Operating Company's investment advisor. The Advisor is a leading investment manager and specialty lender to middle-market companies that had approximately \$5.2 billion in capital commitments from investors ("committed capital") under management as of March 31, 2014, approximately 18% of which consists of our committed capital. SVOF/MM, LLC, an affiliate of the

Advisor, is the Operating Company's general partner and provides the administrative services necessary for us to operate.

See "Underwriting" beginning on page S-35 of this prospectus supplement for more information regarding this offering. The net asset value of our common stock on March 31, 2014 (the last date prior to the date of this prospectus supplement on which net asset value was approved by our board of directors) was \$15.32 per share. Our common stock is traded on The Nasdaq Global Select Market under the symbol "TCPC." The last reported closing price for our common stock on July 28, 2014 was \$17.77 per share. The offering price per share of our common stock sold in this offering less any underwriting commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we make this offering.

**You should read this prospectus supplement and the accompanying prospectus carefully before you invest in shares of our common stock.** We may not sell any shares of our common stock through agents, underwriters or dealers without delivery of the prospectus and a prospectus supplement describing the method and terms of the offering of such shares of common stock.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read it carefully before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the "SEC"). A Statement of Additional Information, dated July 29, 2014, containing additional information about the Holding Company and the Operating Company has been filed with the SEC and is incorporated by reference in its entirety into this prospectus supplement. The Advisor maintains a website at <http://www.tennenbaumcapital.com>, and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through this website. You may also obtain free copies of our annual and quarterly reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page S-42 of this prospectus supplement, and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. The SEC maintains a website at <http://www.sec.gov> where such information is available without charge upon request. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

The debt securities in which we typically invest are either rated below investment grade by independent rating agencies or would be rated below investment grade if such securities were rated by rating agencies. Below investment grade securities, which are often referred to as "hybrid securities," "junk bonds" or "leveraged loans" are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may be illiquid and difficult to value and typically do not require repayment of principal prior to maturity, which potentially heightens the risk that we may lose all or part of our investment. In addition, a substantial majority of the Operating Company's debt investments include interest reset provisions that may make it more difficult for the borrowers to make debt repayments to the Operating Company if the reset provision has the effect of increasing the applicable interest rate.

**Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in the offerings. Investing in our common stock involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any shares of our common stock, you should read the discussion of the material risks of investing in our common stock in "Risks" beginning on page S-11 of this prospectus supplement and on page 23 of the accompanying prospectus.**

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary

is a criminal offense.

---

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 17.3300	\$ 93,582,000
Sales Load (underwriting discounts and commissions)	\$ 0.5199	\$ 2,807,460
<u>Proceeds, before expenses, to the Company (1)</u>	<u>\$ 16.8101</u>	<u>\$ 90,774,540</u>

(1)

We estimate that we will incur expenses of approximately \$400,000 (\$0.07 per share) in connection with this offering. Such expenses will be borne by us. Stockholders will indirectly bear such expenses, which will reduce the net asset value per share of the shares purchased by investors in this offering. Net proceeds, after expenses and sales load, will be approximately \$90,374,540 (\$16.74 per share).

The underwriters expect to deliver the shares to purchasers on or about August 1, 2014.

We have granted the underwriters an option to purchase up to 810,000 additional shares of our common stock at the public offering price, less the sales load, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total price to the public, sales load and proceeds, before expenses, will be \$107,619,300, \$3,228,579, and \$104,390,721, respectively. See "Underwriting."

*Joint Book-Running Managers*  
(underwriters)

<b>Deutsche Bank Securities</b>	<b>BofA Merrill Lynch</b>	<b>Raymond James</b>	<b>Keefe, Bruyette &amp; Woods <i>A Stifel</i></b>	<b>RBC Capital Markets</b>
---------------------------------	---------------------------	----------------------	--	----------------------------

*Company*

---

*Lead Manager*  
(underwriters)

**Oppenheimer & Co.**

---

*Co-Managers*  
(underwriters)

**JMP Securities**

**National Securities Corporation**

Prospectus Supplement dated July 29, 2014

---

Table of Contents

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

In addition to factors previously identified elsewhere in this prospectus supplement and the accompanying prospectus, including the "Risks" section of the accompanying prospectus, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

the introduction, withdrawal, success and timing of business initiatives and strategies;

changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;

the valuation of our investments in portfolio companies, particularly those having no liquid trading market;

the relative and absolute investment performance and operations of the Advisor;

the impact of increased competition;

the impact of future acquisitions and divestitures;

the unfavorable resolution of legal proceedings;

our business prospects and the financial condition and prospects of our portfolio companies;

the adequacy of our cash resources and working capital;

the timing of cash flows, if any, from the operations of our portfolio companies;

the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us, the Advisor or our portfolio companies;

the ability of the Advisor to identify suitable investments for us and to monitor and administer our investments;

our contractual arrangements and relationships with third parties;

any future financings and investments by us;

the ability of the Advisor to attract and retain highly talented professionals;

## Edgar Filing: TCP Capital Corp. - Form 497

fluctuations in interest rates or foreign currency exchange rates; and

the impact of changes to tax legislation and, generally, our tax position.

This prospectus supplement and the accompanying prospectus contain, and other statements that we may make may contain, forward-looking statements with respect to future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "potential," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve" and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933 (the "Securities Act") or Section 21E of

S-i

---

Table of Contents

the Securities Exchange Act of 1934 (the "Securities Exchange Act"). Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Statistical and market data used in this prospectus supplement has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus supplement, for which the safe harbor provided in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act is not available.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the Statement of Additional Information, dated July 29, 2014, or SAI, incorporated by reference in its entirety in the accompanying prospectus, and the documents incorporated by reference herein or therein. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and of the accompanying prospectus, respectively, and the information in the SAI and the documents incorporated by reference herein or in the accompanying prospectus or the SAI is accurate only as of their respective dates. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus supplement, the accompanying prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

Table of Contents

**TABLE OF CONTENTS**

**PROSPECTUS SUPPLEMENT**

<u>PROSPECTUS SUMMARY</u>	<u>S-1</u>
<u>FEES AND EXPENSES</u>	<u>S-6</u>
<u>SELECTED FINANCIAL DATA</u>	<u>S-9</u>
<u>RISKS</u>	<u>S-11</u>
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>S-12</u>
<u>QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK</u>	<u>S-28</u>
<u>USE OF PROCEEDS</u>	<u>S-29</u>
<u>PRICE RANGE OF COMMON STOCK</u>	<u>S-30</u>
<u>CAPITALIZATION</u>	<u>S-31</u>
<u>SENIOR SECURITIES</u>	<u>S-32</u>
<u>SUPPLEMENT TO U.S. FEDERAL INCOME TAX MATTERS</u>	<u>S-34</u>
<u>UNDERWRITING</u>	<u>S-35</u>
<u>LEGAL MATTERS</u>	<u>S-41</u>
<u>ADDITIONAL INFORMATION</u>	<u>S-41</u>
<u>TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION</u>	<u>S-42</u>
<u>INDEX TO FINANCIAL STATEMENTS</u>	<u>S-F-1</u>

**PROSPECTUS**

<u>About this Prospectus</u>	<u>iii</u>
<u>Prospectus Summary</u>	<u>1</u>
<u>Fees and Expenses</u>	<u>18</u>
<u>Selected Financial Data</u>	<u>21</u>
<u>Risks</u>	<u>23</u>
<u>Special Note Regarding Forward-Looking Statements</u>	<u>55</u>
<u>Use of Proceeds</u>	<u>56</u>
<u>Senior Securities</u>	<u>57</u>
<u>Price Range of Common Stock</u>	<u>58</u>
<u>The Company</u>	<u>59</u>
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>72</u>
<u>Quantitative and Qualitative Disclosure About Market Risk</u>	<u>89</u>
<u>Investment Portfolio</u>	<u>90</u>
<u>Management of the Company</u>	<u>103</u>
<u>Sales of Common Stock Below Net Asset Value</u>	<u>115</u>
<u>Description of Our Capital Stock</u>	<u>121</u>
<u>Description of Our Preferred Stock</u>	<u>130</u>
<u>Description of Our Debt Securities</u>	<u>131</u>
<u>Description of Our Subscription Rights</u>	<u>145</u>
<u>Description of Our Warrants</u>	<u>147</u>
<u>U.S. Federal Income Tax Matters</u>	<u>149</u>
<u>Plan of Distribution</u>	<u>158</u>
<u>Custodian</u>	<u>161</u>
<u>Transfer Agent</u>	<u>161</u>
<u>Legal Matters</u>	<u>161</u>
<u>Independent Registered Public Accounting Firm</u>	<u>161</u>
<u>Additional Information</u>	<u>161</u>
<u>Privacy Principles</u>	<u>162</u>
<u>Table of Contents of Statement of Additional Information</u>	<u>163</u>
<u>Index to Financial Statements</u>	<u>F-1</u>

Table of Contents

**PROSPECTUS SUMMARY**

*This summary highlights some of the information in this prospectus supplement. This summary is not complete and may not contain all of the information that you may want to consider before investing in our common stock. You should read the entire prospectus supplement, the accompanying prospectus, including "Risks," and the Statement of Additional Information dated July 29, 2014 (the "SAI").*

*Throughout this prospectus supplement, unless the context otherwise requires, a reference to:*

*"Holding Company" refers to Special Value Continuation Fund, LLC, a Delaware limited liability company, for the periods prior to the consummation of the Conversion (as defined below) described elsewhere in this prospectus supplement and to TCP Capital Corp. for the periods after the consummation of the Conversion;*

*"Operating Company" refers to Special Value Continuation Partners, LP, a Delaware limited partnership;*

*"TCPC Funding" refers to TCPC Funding I LLC, a Delaware limited liability company;*

*"TCPC SBIC" refers to TCPC SBIC, LP, a Delaware limited partnership;*

*"Advisor" refers to Tennenbaum Capital Partners, LLC, a Delaware limited liability company and the investment manager; and*

*"General Partner" and "Administrator" refer to SVOF/MM, LLC, a Delaware limited liability company, the general partner of the Operating Company and an affiliate of the Advisor and administrator of the Holding Company and the Operating Company.*

*For simplicity, this prospectus supplement uses the term "Company," "we," "us" and "our" to include the Holding Company and, where appropriate in the context, the Operating Company, TCPC Funding and TCPC SBIC, on a consolidated basis. For example, (i) although all or substantially all of the net proceeds from this offering will be invested in the Operating Company and all or substantially all of the Holding Company's investments will be made through the Operating Company, this prospectus supplement generally refers to the Holding Company's investments through the Operating Company as investments by the "Company," and (ii) although the Operating Company and TCPC Funding and not the Holding Company has entered into the Leverage Program (defined below), this prospectus supplement generally refers to the Operating Company's use of the Leverage Program as borrowings by the "Company," in all instances in order to make the operations and investment strategy easier to understand. The Holding Company and the Operating Company have the same investment objective and policies and the assets, liabilities and results of operations of the Holding Company are consolidated with those of the Operating Company as described in the accompanying prospectus under "Prospectus Summary Operating and Regulatory Tax Structure."*

*On April 2, 2012, we completed a conversion under which TCP Capital Corp. succeeded to the business of Special Value Continuation Fund, LLC and its consolidated subsidiaries, and the members of Special Value Continuation Fund, LLC became stockholders of TCP Capital Corp. In this prospectus supplement, we refer to such transactions as the "Conversion." Unless otherwise indicated, the disclosure in this prospectus supplement gives effect to the Conversion.*



Table of Contents

**The Company**

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940 or the 1940 Act. See the accompanying prospectus "Prospectus Summary Company History and BDC Conversion." We completed our initial public offering on April 10, 2012.

Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between \$100 million and \$1.5 billion as well as small businesses which meet the "small" enterprise definition of the rules and regulations of the Small Business Administration (the "SBA"). While we primarily focus on privately negotiated investments in debt of middle-market companies, we make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities benefit from what we believe are the competitive advantages of the Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. Substantially all of our operating history and performance results have been achieved through our predecessor, Special Value Continuation Fund, LLC, which was a registered investment company but was neither a business development company nor a publicly traded company. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns. See the accompanying prospectus "Prospectus Summary Company History and BDC Conversion".

To achieve our investment objectives, we intend to focus on a subset of the broader investment strategies historically pursued by the Advisor. Our primary investment focus is the ongoing origination of and investments in leveraged loans of performing middle-market companies as well as small businesses. For the purposes of this prospectus supplement, the term "leveraged loans" refers to senior debt investments that rank ahead of subordinated debt and that generally have the benefit of security interests in the assets of the borrower.

Our investments generally range from \$10 million to \$40 million per company, the size of which may grow over time in proportion with our capital base. We expect to generate current returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. We often receive equity interests such as preferred or common stock and warrants or options in connection with our debt investments. From time to time we may also use other investment strategies, which are not our primary focus, to attempt to enhance the overall return of our portfolio. These investment strategies may include, but are not limited to, the purchase of discounted debt, opportunistic investments, and financial instruments to hedge currency or interest rate risk associated with our portfolio.

As described in the accompanying prospectus under "Prospectus Summary Company History and BDC Conversion," we have no employees of our own and currently our only business and sole asset is the ownership of all of the common limited partner interests of the

Table of Contents

Operating Company. Our investment activities are externally managed by the Advisor. Additionally, the Holding Company expects that it will continue to seek to qualify as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code (the "Code").

As of March 31, 2014, we held investments in 70 portfolio companies. The aggregate fair value as of March 31, 2014 of investments in these portfolio companies was approximately \$815.7 million. Our portfolio across all our long-term debt investments had a weighted average annual effective yield of 10.8% as of March 31, 2014. In addition to the annual stated interest rate, this figure includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments on non-accrual status.

**Recent Developments**

On April 22, 2014, our wholly owned subsidiary, TCPC SBIC received a Small Business Investment Company ("SBIC") license from the SBA. We have requested exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. If granted, the exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting TCPC SBIC to borrow up to \$150 million more than it would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, would be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we could have more debt outstanding than assets to cover such debt. For further information, please see the accompanying prospectus "Prospectus Summary The Company" and "Risk Factors Risks related to our business TCPC SIBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations."

TCPC SBIC relies on Section 3(c)(7) of the 1940 Act for an exclusion from the definition of "investment company" under the 1940 Act. TCPC SBIC follows the same investment objective and strategy as the Holding Company with a focus on smaller companies. SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses generally include businesses that have a tangible net worth not exceeding \$18.0 million and have average annual fully taxed net income not exceeding \$6.0 million for the two most recent fiscal years. An SBIC must devote 25.0% of its investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise is generally one that has a tangible net worth not exceeding \$6.0 million and has average annual fully taxed net income not exceeding \$2.0 million for the two most recent fiscal years. Under the SBA Act and current SBA policy applicable to SBICs, an SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. Under the 1940 Act, the leverage limitations generally applicable to BDCs do not apply to debt of SBICs held or guaranteed by the SBA. In order to ensure that this relief is applicable to the Company upon consolidation of TCPC SBIC, the Company has applied for exemptive relief from the SEC to permit it to exclude the debt of TCPC SBIC guaranteed by the SBA from the definition of senior securities in the 200% asset coverage ratio the Company is required to maintain under the 1940 Act.

Effective as of April 28, 2014, Todd Jaquez-Fissori joined the Holding Company as a Managing Director.

## Edgar Filing: TCP Capital Corp. - Form 497

### Table of Contents

On May 8, 2014, the Company's board of directors declared a regular second quarter cash dividend of \$0.36 per share and a \$0.05 per share special dividend. Both dividends were paid on June 30, 2014 to stockholders of record as of the close of business on June 18, 2014.

On May 23, 2014, TCPC SBIC received a \$75.0 million leverage commitment from the SBA.

On June 9, 2014, we exercised the accordion feature of the TCPC Funding Facility and increased the aggregate principal commitment amount to \$200.0 million. The accordion feature was also expanded to \$250.0 million, subject to consent of the administrative agent and other customary conditions.

On June 17, 2014, we closed a private placement of \$100.0 million aggregate principal amount of 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes"). The 2019 Notes bear interest at a rate of 5.25% per year, payable semiannually on June 15 and December 15 each year, beginning December 15, 2014. The 2019 Notes will mature on December 15, 2019. In certain circumstances, the 2019 Notes will be convertible into shares of our common stock based on an initial conversion rate of 50.9100 shares of our common stock per \$1,000.0 principal amount of the 2019 Notes, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilution adjustments.

On June 27, 2014, the initial purchasers in the 2019 Notes offering exercised their overallotment option and purchased an additional \$8.0 million in aggregate principal amount of the 2019 Notes. With the exercise of the overallotment option, a total of \$108.0 million in aggregate principal amount of the 2019 Notes were issued and outstanding as of the date of this prospectus supplement. Net proceeds to us from the 2019 Notes offering, including the exercise of the overallotment option, were approximately \$104.8 million.

From April 1, 2014 through June 30, 2014, we invested approximately \$168.6 million in senior secured loans to nine new and five existing portfolio companies with a weighted average effective yield of 9.9%. Additionally, during the three months ended June 30, 2014, we received approximately \$87.9 million in proceeds from sales or repayments of investments with a weighted average effective yield of 9.8%.

Net combined leverage was approximately 0.63 times net equity at June 30, 2014 and approximately 0.69 times net equity at July 24, 2014.

We estimate that net investment income, after preferred dividends and incentive compensation on net investment income, will be in the range of \$0.39 to \$0.40 per share for the three months ended June 30, 2014, including current period interest and debt cost amortization associated with the issuance of our convertible notes. We estimate that net increase in net assets resulting from operations for the three months ended June 30, 2014 will be in the range of \$0.32 to \$0.34 per share. We estimate that net asset value per share as of June 30, 2014 will be in the range of \$15.30 to \$15.32. These estimates are based on management's preliminary determination and have not been approved by our board of directors.

The estimates presented above are based on management's preliminary determinations only and, consequently, the data set forth in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 may differ from these estimates, and any such differences may be material. For example, estimated net asset value per share is based on the value of our total assets, including our investments (many of which are not publicly traded or whose market prices are not readily available, the fair value of which is determined by our board of directors in good faith). The fair value of such investments have not yet been

Table of Contents

determined by our board of directors and the actual fair value of such investments, when determined by our board of directors, may be different than the estimates reported herein. In addition, the information presented above does not include all of the information regarding our financial condition and results of operations as of and for the quarterly period ended June 30, 2014 that may be important to investors. As a result, investors are cautioned not to place undue reliance on the information presented above and should view this information in the context of our full second quarter results when such results are disclosed by us in our Quarterly Report on Form 10-Q for the period ended June 30, 2014. The information presented above is based on current management expectations that involve substantial risk and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, such information. We assume no duty to update these preliminary estimates except as required by law.

**Company Information**

Our administrative and executive offices are located at 2951 28th Street, Suite 1000, Santa Monica, CA 90405, and our telephone number is (310) 566-1094. The Advisor maintains a website at <http://www.tennenbaumcapital.com>. Information contained on this website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on the Advisor's website to be part of this prospectus supplement or the accompanying prospectus.

**Presentation of Historical Financial Information**

Unless otherwise indicated, historical references contained in this prospectus supplement and the accompanying prospectus, as applicable, in " Selected Financial Data," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and "Portfolio Companies" relate to the Holding Company and the Operating Company on a consolidated basis.

**For further information please see the "Prospectus Summary" in the accompanying prospectus.**

Table of Contents**FEES AND EXPENSES**

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. The expenses shown in the table under "Annual Expenses" (excluding incentive compensation payable under the investment management agreement) are based on the offering of 5,400,000 shares of our common stock offered in this offering at the public offering price of \$17.33 per share. The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months. Further, the fees and expenses below are presented on a consolidated basis directly or indirectly to include expenses of the Company and the Operating Company that investors in this offering will bear.

<b>Stockholder Transaction Expenses:</b>	
Sales Load (as a percentage of offering price)	3.00% (1)
Offering Expenses (as a percentage of offering price)	0.43% (2)
Dividend Reinvestment Plan Fees	(3)
<b>Total Stockholder Transaction Expenses (as a percentage of offering price)</b>	<b>3.43%</b>
<b>Annual Expenses (as a Percentage of Consolidated Net Assets Attributable to Common Stock) (4):</b>	
Base Management Fees	2.39% (5)
Incentive Compensation Payable Under the Investment Management Agreement (20% of ordinary income and capital gains)	2.28% (6)
Interest Payments on Borrowed Funds	1.92% (7)
Preferred Dividends	0.21% (8)
Other Expenses (estimated)	0.70% (9)
<b>Total Annual Expenses</b>	<b>7.50%</b>

- 
- (1) The underwriting discount and commission with respect to shares sold in this offering, which are one-time fees to the underwriters in connection with this offering, are the only sales load being paid in connection with this offering.
- (2) Amount reflects estimated offering expenses of approximately \$400,000 and based on the 5,400,000 shares of our common stock offered in this offering at a price of \$17.33 per share, and which assumes no exercise of the underwriters' option to purchase additional shares.
- (3)

The expenses of the dividend reinvestment plan are included in "other expenses." See "Dividend Reinvestment Plan" in the SAI.

(4) The "consolidated net assets attributable to common stock" used to calculate the percentages in this table is our average consolidated net assets attributable to common stock of \$448.7 million for the 12 month period ending March 31, 2014.

(5) Base management fees are paid quarterly in arrears. The base management fee of 1.5% per year 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. The percentage shown in the table, which assumes all capital and leverage is invested at the maximum level, is calculated by determining the ratio that the aggregate base management fee bears to our net assets attributable to common stock and not to our total assets. We make this conversion because all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders. If we borrow money or issue preferred stock and invest the proceeds other than in cash and cash equivalents, our base management fees will increase. The base management fee for any partial quarter is appropriately pro-rated. See the accompanying prospectus "Management of the Company Investment Management Agreements."

Table of Contents

(6)

Under the investment management agreements and the amended and restated limited partnership agreement of the Operating Company dated April 2, 2012, (the "Amended and Restated Limited Partnership Agreement"), no incentive compensation was incurred until after January 1, 2013. The incentive compensation has two components, ordinary income and capital gains. Each component is payable quarterly in arrears (or upon termination of the Advisor as the investment manager or the General Partner as of the termination date) and is calculated based on the cumulative return for periods beginning January 1, 2013 and ending on the relevant calculation date.

Each of the two components of incentive compensation is separately subject to a total return limitation. Thus, notwithstanding the following provisions, we are not obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation if our cumulative total return does not exceed an 8% annual return on daily weighted average contributed common equity. The incentive compensation we would pay is subject to a total return limitation. That is, no incentive compensation is paid if our cumulative annual total return is less than 8% of our average contributed common equity. If our cumulative annual total return is above 8%, the total cumulative incentive compensation we pay is not more than 20% of our cumulative total return, or, if lower, the amount of our cumulative total return that exceeds the 8% annual rate.

Subject to the above limitation, the ordinary income component is the amount, if positive, equal to 20% of the cumulative ordinary income before incentive compensation, less cumulative ordinary income incentive compensation previously paid or distributed.

Subject to the above limitation, the capital gains component is the amount, if positive, equal to 20% of the cumulative realized capital gains (computed net of cumulative realized losses and cumulative net unrealized capital depreciation), less cumulative capital gains incentive compensation previously paid or distributed. For assets held on January 1, 2013, capital gain, loss and depreciation will be measured on an asset by asset basis against the value thereof as of December 31, 2012. The capital gains component is allocated, paid or distributed in full prior to payment or distribution of the ordinary income component.

(7)

"Interest Payments on Borrowed Funds" represents dividends, interest and fees estimated to be accrued on the Revolving Facilities (as defined below) and amortization of debt issuance costs, and assumes the Revolving Facilities are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued under the Operating Company Facility (as defined below) is the rate in effect as of March 31, 2014, which was 0.59% and (ii) under the TCPC Funding Facility is the rate in effect as of March 31, 2014, which was 2.74%. "Interest Payments on Borrowed Funds" additionally represents interest and fees estimated to be accrued on \$108.0 million in aggregate principal amount of our 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes") issued and outstanding as of the date of this prospectus supplement, which bear interest at a rate of 5.25% per year and are convertible into shares of our common stock under certain circumstances. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(8)

"Preferred Dividends" represents dividends estimated to be accumulated on the Preferred Interests and assumes that the dividend rate on the Preferred Interests is the rate in effect as of March 31, 2014 which was 1.03%. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(9)

"Other Expenses" includes our estimated overhead expenses, including expenses of the Advisor reimbursable under the investment management agreements and of the Administrator reimbursable under the administration agreement. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the three months ended March 31, 2014.

**Example**

The following example demonstrates the projected dollar amount of total cumulative expenses (including stockholder transaction expenses and annual expenses) that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses remain at the levels set forth in the table above.

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
You would pay the following expenses on a \$1000 investment assuming a 5% annual return	\$ 85	\$ 185	\$ 285	\$ 533



Table of Contents

While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. There is no incentive compensation either on income or on capital gains under our investment management agreements and the Amended and Restated Limited Partnership Agreement assuming a 5% annual return and therefore it is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive compensation of a material amount, our distributions to our common stockholders and our expenses would likely be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend or distribution payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" in the SAI for additional information regarding our dividend reinvestment plan.

Except where the context suggests otherwise, whenever this prospectus supplement or the accompanying prospectus contains a reference to fees or expenses paid by "you," the "Company," the "Holding Company," the "Operating Company" or "us," our common stockholders will indirectly bear such fees or expenses, including through the Company's investment in the Operating Company.

**This example and the expenses in the table above should not be considered a representation of our future expenses. Actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.**

**SELECTED FINANCIAL DATA**

The selected consolidated financial and other data below reflects the consolidated historical operations of the Holding Company and the Operating Company. This consolidated financial and other data is the Holding Company's historical financial and other data. The Operating Company will continue to be the Holding Company's sole investment following the completion of this offering.

The selected consolidated financial data below for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 has been derived from the consolidated financial statements that were audited by our independent registered public accounting firm. The selected consolidated financial data at and for the three months ended March 31, 2014 and 2013 have been derived from unaudited financial data, but in the opinion of our management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results at and for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. This selected financial data should be read in conjunction with our financial statements and related notes thereto, which are incorporated by reference into the SAI, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" included elsewhere in this prospectus supplement.

Edgar Filing: TCP Capital Corp. - Form 497

The historical financial information may not be representative of the Company's financial information in future periods.

	For the Three Months Ended			For the Year Ended December 31,			
	2014	2013	2013	2012	2011	2010	2009
<b>Performance Data:</b>							
Interest income	\$ 19,735,234	\$ 16,464,196	\$ 66,979,064	\$ 49,243,332	\$ 42,113,358	\$ 32,410,819	\$ 26,678,140
Dividend income	1,968,748			1,811,189	10,610,159	13,547,924	
Other income	964,662	401,547	2,629,982	1,138,238	2,134,159	1,842,469	417,533
<b>Total investment income</b>	<b>22,668,644</b>	<b>16,865,743</b>	<b>69,609,046</b>	<b>52,192,759</b>	<b>54,857,676</b>	<b>47,801,212</b>	<b>27,095,673</b>
<b>Interest and credit agreement expenses</b>							
Investment advisory expense	1,020,815	267,560	2,339,447	857,757	942,288	893,806	949,554
Other expenses	2,886,208	1,964,736	8,820,229	6,908,942	6,787,188	6,787,188	6,787,188
<b>Total expenses</b>	<b>4,877,990</b>	<b>2,869,630</b>	<b>15,278,784</b>	<b>11,872,399</b>	<b>9,249,950</b>	<b>8,894,679</b>	<b>9,162,841</b>
<b>Net investment income</b>	<b>17,790,654</b>	<b>13,996,113</b>	<b>54,330,262</b>	<b>40,320,360</b>	<b>45,607,726</b>	<b>38,906,533</b>	<b>17,932,832</b>
<b>Realized and unrealized gains (losses)</b>	<b>5,180,018</b>	<b>2,355,389</b>	<b>9,071,361</b>	<b>(12,784,251)</b>	<b>(38,878,881)</b>	<b>31,621,019</b>	<b>36,142,346</b>
<b>Dividends to preferred interest holders</b>	<b>(358,640)</b>	<b>(377,402)</b>	<b>(1,494,552)</b>	<b>(1,602,799)</b>	<b>(1,545,555)</b>	<b>(1,519,759)</b>	<b>(1,740,964)</b>
<b>Distributions of incentive allocation</b>	<b>(4,522,407)</b>	<b>(3,194,820)</b>	<b>(12,381,416)</b>				
<b>Net increase in net assets from operations</b>	<b>\$ 18,089,625</b>	<b>\$ 12,779,280</b>	<b>\$ 49,525,655</b>	<b>\$ 25,933,310</b>	<b>\$ 5,183,290</b>	<b>\$ 69,007,793</b>	<b>\$ 52,334,214</b>

Edgar Filing: TCP Capital Corp. - Form 497

Per Share Data (at the end of the period): *							
Net increase in net assets from operations	\$ 0.50	\$ 0.60	\$ 1.91	\$ 1.21	\$ 12.37	\$ 164.72	\$ 124.92
Distributions declared per share	(0.36)	(0.40)	(1.53)	(1.43)	(75.19)	(89.99)	(36.28)
Average weighted shares outstanding for the period	36,199,917	21,477,640	25,926,493	21,475,847	418,956	418,956	418,956
<b>Assets and Liabilities Data:</b>							
Investments	\$ 815,657,748	\$ 509,994,945	\$ 766,262,959	\$ 517,683,087	\$ 378,960,536	\$ 453,034,872	\$ 343,062,967
Other assets	41,724,287	20,015,908	37,066,243	31,559,015	24,492,967	20,604,286	119,642,507
Total assets	857,382,035	530,010,853	803,329,202	549,242,102	403,453,503	473,639,158	462,705,474
Amount drawn on credit facility	157,000,000	70,000,000	95,000,000	74,000,000	29,000,000	50,000,000	75,000,000
Other liabilities	9,013,064	4,836,107	23,045,112	24,728,267	2,116,211	25,050,178	20,431,955
Total liabilities	166,013,064	74,836,107	118,045,112	98,728,267	31,116,211	75,050,178	95,431,955
Preferred Stock						23,527	25,391
Preferred limited partnership interest	134,493,757	134,510,274	134,504,252	134,526,285	134,466,418	134,377,869	134,368,337
Non-controlling interest	2,204,587	471,078	1,168,583				
Total assets	\$ 554,670,627	\$ 320,193,394	\$ 549,611,255	\$ 315,987,550	\$ 237,870,874	\$ 264,187,584	\$ 232,879,791
<b>Investment Activity Data:</b>							
No. of portfolio companies at period end	70	54	67	54	41	44	40
Acquisitions	\$ 110,386,498	\$ 40,263,751	\$ 471,087,319	\$ 359,020,926	\$ 237,870,874	\$ 262,837,727	\$ 144,313,178
Sales, payments, and other disposals	\$ 66,876,929	\$ 51,006,153	\$ 235,641,665	\$ 211,216,033	\$ 216,916,444	\$ 192,419,667	\$ 195,383,341
Weighted-average effective yield at	10.8%	11.1%	10.9%	11.3%	14.2%	13.1%	12.5%

End of period (1)

---

\*

Per share amounts prior to 2012, were calculated based on 418,986 pre-Conversion shares outstanding. Per share amounts for 2012 are calculated on 21,475,847 weighted-average post-Conversion shares outstanding.

(1)

Weighted-average effective yield includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes market discount, any repaying and make-whole fee income, and any debt investments on non-accrual status.

S-10

---

Table of Contents

**RISKS**

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and in the accompanying prospectus on page 23, together with all of the other information included in this prospectus supplement and in the accompanying prospectus, before you decide whether to make an investment in our common stock. The risks set forth below and in the accompanying prospectus are not the only risks we face. If any of the adverse events or conditions described below or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value, or NAV, and the trading price of our common stock could decline, we could reduce or eliminate our dividend and you could lose all or part of your investment.*

**Our most recent NAV was calculated on March 31, 2014 and our NAV when calculated effective June 30, 2014 may be higher or lower.**

Our NAV per share most recently approved by our board of directors is \$15.32 as of March 31, 2014. We estimate our NAV per share as of July 25, 2014 is \$15.43, however such estimate has not been approved by our board of directors, which retains ultimate authority for valuing our assets. Our NAV per share as of the date of this prospectus supplement may be higher or lower than the NAV per share approved or estimated, as applicable as of March 31, 2014 and July 25, 2014. Our board of directors has not yet approved the fair value of our portfolio investments at any date subsequent to March 31, 2014. Our board of directors approves the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from an independent valuation firm, our Advisor and the audit committee of our board of directors.

Table of Contents

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The information contained in this section should be read in conjunction with the selected financial data appearing elsewhere in this prospectus supplement and the accompanying prospectus and our consolidated financial statements and related notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus.*

**Overview**

The Holding Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. The Holding 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, 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 "Operating Company"), of which the Holding Company owns 100% of the common limited partner interests, or in one of the Operating Company's wholly-owned subsidiaries, TCPC Funding I, LLC ("TCPC Funding") and TCPC SBIC, LP (the "SBIC"). The Operating Company has also elected to be treated as a BDC under the 1940 Act. The General Partner of the Operating Company is SVOF/MM, LLC ("SVOF/MM"), which also serves as the administrator ("Administrator") of the Holding Company and the Operating Company. The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the "Advisor"), which serves as the investment manager to the Holding Company, the Operating Company, 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 Holding Company has elected to be treated as a regulated investment company ("RIC") for U.S. federal income tax purposes. As a RIC, the Holding 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 Operating Company, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes.

As of March 31, 2014, our leverage program was comprised of \$116 million in available debt under a senior secured revolving credit facility issued by the Operating Company (the "Operating Company Facility"), \$150 million in available debt under a senior secured revolving credit facility issued by TCPC Funding, (the "TCPC Funding Facility," and, together with the Operating Company Facility, the "Revolving Facilities"), and \$134 million of outstanding preferred limited partner interests in the Operating Company (the "Preferred Interests," and, together with the Revolving Facilities, 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

Table of Contents

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 March 31, 2014, 88.3% 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 and capital gains on the sale of warrants and other debt or equity interests that we acquire. 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, fees for providing significant managerial assistance, consulting fees and other investment related income.

***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 Holding Company's common



## Edgar Filing: TCP Capital Corp. - Form 497

### Table of Contents

stockholders indirectly bear all of the costs and expenses of the Holding Company, the Operating Company, 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.

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. 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

Table of Contents

annually. The incentive compensation is payable to the General Partner by the Operating Company pursuant to the Amended and Restated Limited Partnership Agreement. If the Operating Company is terminated or for any other reason incentive compensation is not paid by the Operating Company, 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

Table of Contents

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 adopted 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:

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 each investment 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.

Table of Contents

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 March 31, 2014, 0.1% of our investments were categorized as Level 1, 16.9% were categorized as Level 2, 81.8% were Level 3 investments valued based on valuations by independent third party sources, and 1.2% 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.

***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 are generally amortized or accreted into interest income over the life of the respective 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 received upon the early repayment of a loan or debt security are included in interest income.

Certain of our debt investments are purchased at a considerable 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 purchase discounts, we recognize discount accretion 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.

Table of Contents

**Portfolio and investment activity**

During the three months ended March 31, 2014, we invested approximately \$110.4 million across 8 new and 3 existing portfolio companies. Of these investments, 99% were in senior secured debt comprised of senior loans (\$97.1 million, or 88% of the total) and senior secured notes (\$13.0 million, or 11% of the total). The remaining \$0.3 million (1% of the total) were comprised of two equity investments and PIK payments received on investments in unsecured debt. Additionally, we received approximately \$66.9 million in proceeds from sales or repayments of investments during the three months ended March 31, 2014.

At March 31, 2014, our investment portfolio of \$815.7 million (at fair value) consisted of 70 portfolio companies and was invested 96% in debt investments, of which 99% was in senior secured debt and 1% in unsecured or subordinated debt. In aggregate, our investment portfolio was invested 77% in senior secured loans, 18% in senior secured notes, 1% in unsecured or subordinated debt, and 4% in equity investments. Our average portfolio company investment at fair value was approximately \$11.7 million. Our largest portfolio company investment by value was approximately \$29.9 million and our five largest portfolio company investments by value comprised approximately 13% of our portfolio at March 31, 2014. At December 31, 2013, our investment portfolio of \$766.3 million (at fair value) consisted of 67 portfolio companies and was invested 95% in debt investments, of which 98% was in senior secured debt and 2% in unsecured or subordinated debt. In aggregate, our investment portfolio was invested 76% in senior secured loans, 17% in senior secured notes, 2% in unsecured or subordinated debt, and 5% in equity investments. Our average portfolio company investment at fair value was approximately \$11.4 million. Our largest portfolio company investment by value was approximately \$21.3 million and our five largest portfolio company investments by value comprised approximately 13% of our portfolio at December 31, 2013.

Table of Contents

The industry composition of our portfolio at fair value at March 31, 2014 was as follows:

<b>Industry</b>	<b>Percent of Total Investments</b>
Computer Systems Design and Related Services	10.1%
Software Publishers	7.2%
Wireless Telecommunications	4.0%
Newspaper, Periodical, Book, and Directory Publishers	3.8%
Nondepository Credit Intermediation	3.2%
Radio and Television Broadcasting	3.1%
Wired Telecommunications Carriers	3.1%
Scheduled Air Transportation	2.6%
Communications Equipment Manufacturing	2.5%
Nonscheduled Air Transportation	2.4%
Retail	2.2%
Advertising, Public Relations, and Related Services	2.2%
Scientific Research and Development Services	2.2%
Chemical Manufacturing	2.1%
Electric Power Generation, Transmission and Distribution	2.1%
Business Support Services	2.1%
Electrical Equipment and Component Manufacturing	2.1%
Activities Related to Real Estate	2.0%
Textile Furnishings Mills	2.0%
Professional, Scientific, and Technical Services	2.0%
Full-Service Restaurants	1.9%
Oil and Gas Extraction	1.9%
Motion Picture and Video Industries	1.9%
Structured Note Funds	1.9%
Basic Chemical Manufacturing	1.8%
Grocery Stores	1.8%
Plastics Products Manufacturing	1.8%
Other Telecommunications	1.7%
Semiconductor and Other Electronic Component Manufacturing	1.7%
Gaming Industries	1.7%
Lessors of Real Estate	1.7%
Insurance Carriers	1.4%
Artificial Synthetic Fibers and Filaments Manufacturing	1.4%
Fabricated Metal Product Manufacturing	1.3%
Satellite Telecommunications	1.3%
Nonresidential Building Construction	1.2%
Specialty Hospitals	1.2%
Merchant Wholesalers	1.1%
Computer Equipment Manufacturing	1.1%
Data Processing, Hosting, and Related Services	1.0%
Beverage Manufacturing	1.0%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	1.0%
Other	4.2%
<b>Total</b>	<b>100.0%</b>

The weighted average effective yield of the debt securities in our portfolio was 10.8% at March 31, 2014 and 10.9% at December 31, 2013. The weighted average effective yields on





Table of Contents

our senior debt and other debt investments were 10.7% and 4.1%, respectively, at March 31, 2014, versus 10.9% and 13.1% at December 31, 2013.

At March 31, 2014, 73.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 26.6% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.5% at March 31, 2014. At December 31, 2013, 71.2% of our debt investments bore interest based on floating rates, and 28.8% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.1% at December 31, 2013.

**Results of operations**

*Investment income*

Investment income totaled \$22.7 million and \$16.9 million, respectively, for the three months ended March 31, 2014 and 2013, of which \$19.7 million and \$16.5 million were attributable to interest and fees on our debt investments, \$2.0 million and \$0.0 million to dividends from equity securities, and \$1.0 million and \$0.4 million to other income, respectively. The increase in investment income in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 reflects an increase in interest income due to the larger investment portfolio and a higher percentage of the portfolio in income-producing assets in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 and an increase in dividend income and other income.

*Expenses*

Total operating expenses for the three months ended March 31, 2014 and 2013 were \$4.9 million and \$2.9 million respectively, comprised of \$2.9 million and \$2.0 million in base management fees, \$0.2 million and \$0.1 million in legal and professional fees, \$0.6 million and \$0.2 million in interest expense and fees related to the Revolving Facilities, \$0.4 million and \$0.1 million in amortization of debt issuance costs, and \$0.8 million and \$0.5 million in other expenses, respectively. The increase in expenses in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 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 \$17.8 million and \$14.0 million respectively, for the three months ended March 31, 2014 and 2013. The increase in net investment income in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increased interest and dividend income in the three months ended March 31, 2014, partially offset by the increase in expenses.

*Net realized and unrealized gain or loss*

Net realized gains (losses) for the three months ended March 31, 2014 and 2013 were \$(6.8) million and \$0.5 million respectively. The net realized loss during the three months ended March 31, 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. For the three months ended March 31, 2014 and 2013, the change in net unrealized appreciation was \$12.0 million and \$1.8 million, respectively.

Table of Contents

***Income tax expense, including excise tax***

The Holding 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 Holding 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 Holding Company has made and intends to continue to make the requisite distributions to its stockholders which will generally relieve the Holding 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 yearend as such amounts are known. There was no U.S. federal excise tax recorded during the three months ended March 31, 2014 and 2013.

***Dividends to preferred equity holders***

Dividends on the Preferred Interests for the three months ended March 31, 2014 and 2013 were \$0.4 million and \$0.4 million, respectively, as average LIBOR rates for the two periods were similar.

***Incentive compensation***

Incentive compensation distributable to the General Partner for the three months ended March 31, 2014 and 2013 was \$3.5 million and \$2.7 million, respectively. Incentive compensation for the three months ended March 31, 2014 and 2013 was distributable due to our performance exceeding the total return threshold. The change in reserve for incentive compensation to the General Partner for the three months ended March 31, 2014 and 2013 was \$1.0 million and \$0.5 million, respectively. The change in reserve for incentive compensation for the three months ended March 31, 2014 and 2013 reflects the increase 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 March 31, 2014 and 2013, respectively.

***Net increase or decrease in net assets resulting from operations***

The net increase in net assets resulting from operations was \$18.1 million and \$12.8 million for the three months ended March 31, 2014 and 2013, respectively. The higher net increase in net assets resulting from operations for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increase in net investment income and the increase in net realized and unrealized gains.

**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 Special Value Continuation Fund, LLC (the predecessor entity) which were subsequently converted to common stock of the Holding Company, the net proceeds from the initial and secondary public offerings of our common stock, draws on 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.

Table of Contents

On May 17, 2013, the Leverage Program was expanded with the issuance of the TCPC Funding Facility. This facility is a senior secured revolving credit facility, pursuant to which amounts may be drawn up to \$150 million subject to certain collateral and other restrictions. The facility is expandable to \$200 million subject to the consent of the lender and other customary conditions.

Amounts outstanding and available under the combined Leverage Program at March 31, 2014 were as follows:

	<b>Rate*</b>	<b>Outstanding</b>	<b>Available</b>	<b>Total Facility</b>
Operating Company Facility	L+44	\$ 82,000,000	\$ 34,000,000	\$ 116,000,000
TCPC Funding Facility	L+250	75,000,000	75,000,000	150,000,000
Preferred Interests	L+85	134,000,000		134,000,000
Total Leverage Program		\$ 291,000,000	\$ 109,000,000	\$ 400,000,000

---

\*

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

Net cash used in operating activities during the three months ended March 31, 2014 was \$43.7 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of \$42.4 million, partially offset by net investment income less preferred dividends and incentive allocation (net of non-cash income and expenses) of approximately \$1.3 million.

Net cash provided by financing activities was \$47.8 million during the three months ended March 31, 2014, consisting primarily of \$62.0 million of net draws under our Revolving Facilities, reduced by \$13.0 million of dividends on common equity, \$0.4 million of dividends on the Preferred Interests, and payment of \$0.8 million in debt issuance costs.

At March 31, 2014, we had \$27.1 million in cash and cash equivalents.

The Revolving Facilities 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, and restrictions on certain payments and issuance of debt. Economic conditions, like those that began in 2007 and which have continued, 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 Revolving Facilities, and may therefore impact our ability to borrow under the Revolving Facilities. 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 under the Revolving Facilities or require redemption of the Preferred Interests, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At March 31, 2014, we were in compliance with all financial and operational covenants required by the Leverage Program.

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

Table of Contents

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 Operating Company Facility matures in July 2016 and the Preferred Interests will be subject to mandatory redemption in July 2016. The TCPC Funding Facility matures in May 2017. Any inability to renew, extend or replace the Revolving Facilities or replace the Preferred Interests 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 balance 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 will be 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 annual 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

## Edgar Filing: TCP Capital Corp. - Form 497

### Table of Contents

taxable income. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

The following tables summarize dividends declared for the three months ended March 31, 2014 and March 31, 2013:

<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount Per Share</b>	<b>Total Amount</b>
March 6, 2014	March 17, 2014	March 31, 2014	\$ 0.36	\$ 13,031,970

Total for three months ended March 31, 2014			\$ 0.36	\$ 13,031,970
---	--	--	---------	---------------

March 7, 2013	March 18, 2013	March 29, 2013	\$ 0.40*	\$ 8,591,051
---------------	----------------	----------------	----------	--------------

Total for three months ended March 31, 2013			\$ 0.40	\$ 8,591,051
---	--	--	---------	--------------

\*

Includes a special dividend of \$0.05.

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the three months ended March 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>
Shares Issued	104	1,104
Average Price Per Share	\$ 16.55	\$ 15.96
Proceeds	\$ 1,717	\$ 17,614

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

## Edgar Filing: TCP Capital Corp. - Form 497

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,

S-24

---

Table of Contents

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.

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 Holding Company, the Operating Company, 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 Operating Company 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

Table of Contents

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**

On April 22, 2014, our wholly owned subsidiary, TCPC SBIC received an SBIC license from the SBA. We have requested exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. If granted, the exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting TCPC SBIC to borrow up to \$150 million more than it would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, would be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we could have more debt outstanding than assets to cover such debt.

TCPC SBIC relies on Section 3(c)(7) of the 1940 Act for an exclusion from the definition of "investment company" under the 1940 Act. TCPC SBIC follows the same investment objective and strategy as the Holding Company with a focus on smaller companies. SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses generally include businesses that have a tangible net worth not exceeding \$18.0 million and have average annual fully taxed net income not exceeding \$6.0 million for the two most recent fiscal years. An SBIC must devote 25.0% of its investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise is generally one that has a tangible net worth not exceeding \$6.0 million and has average annual fully taxed net income not exceeding \$2.0 million for the two most recent fiscal years. Under the SBA Act and current SBA policy applicable to SBICs, an SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. Under the 1940 Act, the leverage limitations generally applicable to BDCs do not apply to debt of SBICs held or guaranteed by the SBA. In order to ensure that this relief is applicable to the Company upon consolidation of TCPC SBIC, the Company has applied for exemptive relief from the SEC to permit it to exclude the debt of TCPC SBIC guaranteed by the SBA from the definition of senior securities in the 200% asset coverage ratio the Company is required to maintain under the 1940 Act.

Effective as of April 28, 2014, Todd Jaquez-Fissori joined the Holding Company as a Managing Director.

On May 8, 2014, the Company's board of directors declared a regular second quarter cash dividend of \$0.36 per share and a \$0.05 per share special dividend. Both dividends were paid on June 30, 2014 to stockholders of record as of the close of business on June 18, 2014.



Table of Contents

On May 23, 2014, TCPC SBIC received a \$75.0 million leverage commitment from the SBA.

On June 9, 2014, we exercised the accordion feature of the TCPC Funding Facility and increased the aggregate principal commitment amount to \$200.0 million. The accordion feature was also expanded to \$250.0 million, subject to consent of the administrative agent and other customary conditions.

On June 17, 2014, we closed a private placement of \$100.0 million aggregate principal amount of 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes"). The 2019 Notes bear interest at a rate of 5.25% per year, payable semiannually on June 15 and December 15 each year, beginning December 15, 2014. The 2019 Notes will mature on December 15, 2019. In certain circumstances, the 2019 Notes will be convertible into shares of our common stock based on an initial conversion rate of 50.9100 shares of our common stock per \$1,000.0 principal amount of the 2019 Notes, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilution adjustments.

On June 27, 2014, the initial purchasers in the 2019 Notes offering exercised their overallotment option and purchased an additional \$8.0 million in aggregate principal amount of the 2019 Notes. With the exercise of the overallotment option, a total of \$108.0 million in aggregate principal amount of the 2019 Notes were issued and outstanding as of June 27, 2014. Net proceeds to us from the 2019 Notes offering, including the exercise of the overallotment option, were approximately \$104.8 million.

From April 1, 2014 through June 30, 2014, we invested approximately \$168.6 million in senior secured loans to nine new and five existing portfolio companies with a weighted average effective yield of 9.9%. Additionally, we received approximately \$87.9 million in proceeds from sales or repayments of investments during the three months ended June 30, 2014.

Net combined leverage was approximately 0.63 times net equity at June 30, 2014 and approximately 0.69 times net equity at July 24, 2014.

Table of Contents**QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

We are subject to financial market risks, including changes in interest rates. At March 31, 2014, 73.4% 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 March 31, 2014, the percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.5%. 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 March 31, 2014 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:

<b>Basis Point Change</b>	<b>Interest income</b>	<b>Interest Expense</b>	<b>Net Income</b>
Up 300 basis points	\$ 11,613,205	\$ (8,730,000)	\$ 2,883,205
Up 200 basis points	\$ 6,142,664	\$ (5,820,000)	\$ 322,664
Up 100 basis points	\$ 3,264,456	\$ (2,910,000)	\$ 354,456
Down 100 basis points	\$ (128,955)	\$ 681,231	\$ 552,276
Down 200 basis points	\$ (128,955)	\$ 681,231	\$ 552,276
Down 300 basis points	\$ (128,955)	\$ 681,231	\$ 552,276

S-28

## USE OF PROCEEDS

The net proceeds of the offering are estimated to be approximately \$90.4 million (or approximately \$104.0 million if the underwriters exercise their option to purchase additional shares in full), after deducting the underwriting discounts and commissions and estimated offering expenses of approximately \$400,000 payable by us.

We intend to use the net proceeds from this offering to repay amounts outstanding under the Revolving Facilities, if any, (which will increase the funds under the Revolving Facilities available to us to make additional investments in portfolio companies) and to make investments in portfolio companies in accordance with our investment objective and for other general corporate purposes, including payment of operating expenses. We anticipate that substantially all of such remainder of the net proceeds of the offering will be invested in accordance with our investment objective within six to twelve months following completion of the offering, depending on the availability of appropriate investment opportunities consistent with our investment objective and market conditions. We cannot assure you that we will achieve our targeted investment pace.

As of July 28, 2014, we had \$65.0 million outstanding under the Operating Company Facility, with advances generally bearing interest at LIBOR plus 0.44%, subject to certain limitations. The Operating Company Facility matures July 31, 2016.

As of July 28, 2014, we had \$100.0 million outstanding under the TCPC Funding Facility, with advances generally bearing interest at LIBOR plus 2.50%, subject to certain limitations. The TCPC Funding Facility matures on May 15, 2017, subject to extension by the lender at our request for one 12-month period.

Pending investments in portfolio companies by the Company, the Company will invest the remaining net proceeds of an offering primarily in cash, cash equivalents, U.S. Government securities and other high-quality debt investments that mature in one year or less. These securities may have lower yields than our other investments and accordingly may result in lower distributions, if any, during such period. See "Regulation Temporary Investments" and "Management of the Company Investment Management Agreements" in the accompanying prospectus.

An affiliate of Deutsche Bank Securities Inc. is a lender under the TCPC Funding Facility. Accordingly, to the extent proceeds of this offering are used to repay outstanding indebtedness under the TCPC Funding Facility, an affiliate of Deutsche Bank Securities Inc. may receive more than 5% of the proceeds of this offering.

## PRICE RANGE OF COMMON STOCK

Our common stock began trading on April 5, 2012 and is currently traded on The Nasdaq Global Select Market under the symbol "TCPC." The following table lists the high and low closing sale price for our common stock, the premium (discount) of the related closing sale price as a percentage of NAV and quarterly distributions per share since shares of our common stock began being regularly quoted on The Nasdaq Global Select Market.

	Stock Price			Premium (Discount) of High Sales Price to NAV(3)	Premium (Discount) of Low Sales Price to NAV(3)	Declared Distributions
	NAV(1)	High(2)	Low(2)			
<b>Fiscal year ended December 31, 2012</b>						
Second Quarter <sup>(4)</sup>	\$ 14.70	\$ 14.75	\$ 13.80	0.3%	(6.1)%	\$ 0.34
Third Quarter	14.79	15.96	14.23	7.9%	(3.8)%	0.35
Fourth Quarter	14.71	15.80	14.66	7.4%	(0.3)%	0.40 <sup>(5)</sup>
<b>Fiscal year ended December 31, 2013</b>						
First Quarter	\$ 14.91	\$ 16.16	\$ 14.64	8.4%	(1.8)%	\$ 0.40 <sup>(5)</sup>
Second Quarter	\$ 14.94	\$ 16.77	\$ 15.01	12.2%	0.5%	\$ 0.36
Third Quarter	\$ 15.06	\$ 16.80	\$ 14.99	11.6%	(0.5)%	\$ 0.36
Fourth Quarter	\$ 15.18	\$ 17.42	\$ 15.98	14.8%	5.3%	\$ 0.41 <sup>(5)</sup>
<b>Fiscal year ended December 31, 2014</b>						
First Quarter	\$ 15.32	\$ 17.97	\$ 16.36	17.3%	6.8% <sup>(6)</sup>	\$ 0.36
Second Quarter	\$ <sup>(6)</sup>	\$ 18.31	\$ 15.80	% <sup>(6)</sup>	% <sup>(6)</sup>	\$ 0.41 <sup>(5)</sup>
Third Quarter (to July 28, 2014)	\$ <sup>(6)</sup>	\$ 18.31	\$ 17.57	% <sup>(6)</sup>	% <sup>(6)</sup>	\$ <sup>(7)</sup>

- (1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.
- (2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.
- (3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.
- (4) From April 5, 2012 (initial public offering) to June 30, 2012.
- (5) Includes a special dividend of \$0.05 per share.
- (6) NAV has not yet been finally determined for this period.

(7)

Dividend has not yet been declared for this period.

On July 28, 2014, the closing price of our common stock was \$17.77 per share. As of July 28, 2014, we had 35 stockholders of record.

The table below sets forth each class of our outstanding securities as of July 28, 2014.

<b>Title of Class</b>	<b>Amount Authorized</b>	<b>Amount Held by Registrant or for its Account</b>	<b>Amount Outstanding</b>
Common Stock	200,000,000		36,200,130

S-30

Table of Contents**CAPITALIZATION**

The following table sets forth (1) our actual capitalization at March 31, 2014, (2) our capitalization on an as adjusted basis giving effect to the issuance of the 2019 Notes and (3) our capitalization on an as further adjusted basis giving effect to the issuance of the 2019 Notes and the sale of 5,400,000 shares of our common stock in this offering at the public offering price of \$17.33 per share, after deducting the underwriting discounts and commissions and offering expenses payable by us and the application of the estimated net proceeds of this offering. You should read this table together with "Use of Proceeds" in this prospectus supplement and the accompanying prospectus.

	<b>As of March 31, 2014</b>		
	<b>Actual</b>	<b>As Adjusted for Issuance of the 2019 Notes</b>	<b>As Further Adjusted for this Offering</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 27,141,436	\$ 27,141,436	\$ 68,515,976
Investments	815,657,748	815,657,748	815,657,748
Other assets	14,582,851	14,582,851	14,582,851
<b>Total assets</b>	<b>\$ 857,382,035</b>	<b>\$ 857,382,035</b>	<b>\$ 898,756,575</b>
<b>Liabilities:</b>			
Operating Company Facility <sup>(1)</sup>	\$ 82,000,000	\$ 0	\$ 0
TCPC Funding Facility <sup>(1)</sup>	75,000,000	49,000,000	0
2019 Notes <sup>(2)</sup>		108,000,000	108,000,000
Other liabilities	9,013,064	9,013,064	9,013,064
<b>Total liabilities</b>	<b>\$ 166,013,064</b>	<b>\$ 166,013,064</b>	<b>\$ 117,013,064</b>
<b>Stockholders' equity:</b>			
Preferred Interests <sup>(3)</sup> , \$20,000/share liquidation preference; 6,700 shares authorized, 6,700 preferred interests issued and outstanding, actual; 6,700 preferred interests issued and outstanding, pro forma	\$ 134,000,000	\$ 134,000,000	\$ 134,000,000
Accumulated dividends on Preferred Interests	493,757	493,757	493,757
General Partner interest in Special Value Continuation Partners, LP	2,204,587	2,204,587	2,204,587
Common stock, par value \$0.001 per share; 200,000,000 shares of common stock authorized; 36,200,020 stock issued and outstanding, actual; 41,600,020 shares of common stock issued and outstanding, pro forma	36,200	36,200	41,600
Preferred stock, par value \$0.001 per share; 100,000,000 shares of preferred stock authorized; no shares of preferred stock issued and outstanding, actual; no shares of preferred stock issued and outstanding, pro forma			
Paid-in capital in excess of par value	667,843,737	667,843,737	758,212,877
Accumulated net investment income	24,929,736	24,929,736	24,929,736
Accumulated net realized losses	(112,595,624)	(112,595,624)	(112,595,624)
Accumulated net unrealized depreciation	(23,338,835)	(23,338,835)	(23,338,835)
Non-controlling interest	(2,204,587)	(2,204,587)	(2,204,587)
<b>Net assets applicable to common shareholders</b>	<b>\$ 554,670,627</b>	<b>\$ 554,670,627</b>	<b>\$ 645,045,167</b>

**Total capitalization** \$ 857,382,035 \$ 857,382,035 \$ 898,756,575

---

(1) As of July 28, 2014, our debt outstanding under the Operating Company Facility and the TCPC Funding Facility was \$65.0 million and \$100.0 million, respectively.

(2) In accordance with Accounting Standards Codification ("ASC") 470-20, convertible debt that may be wholly or partially settled in cash is required to be separated into a liability and an equity component, such that interest expense reflects the issuer's non-convertible debt interest rate. Upon issuance, a debt discount will be recognized as a decrease in debt and an increase in equity. The debt component will accrete up to the principal amount over the expected term of the debt. ASC 470-20 does not affect the actual amount that we are required to repay, and the amount shown in the table above for the notes is the aggregate principal amount of the notes and does not reflect any debt discount, fees and expenses that we will be required to recognize.

(3) Preferred Interests are a component of the \$250 million Leverage Program of the Operating Company.

Table of Contents**SENIOR SECURITIES**

Information about our senior securities is shown in the following table as of the end of each fiscal year ended since the Company commenced operations and as of March 31, 2014. The information in the senior securities table below as of the end of each fiscal year has been audited by our independent registered public accounting firm except for information for Fiscal 2014, which is unaudited.

<b>Class and Year</b>	<b>Total Amount Outstanding(4)</b>	<b>Asset Coverage Per Unit(5)</b>	<b>Involuntary Liquidating Preference Per Unit(6)</b>	<b>Average Market Value Per Unit(7)</b>
<b>Operating Company Facility<sup>(1)</sup></b>				
Fiscal 2014 (as of March 31, 2014, unaudited)	\$ 82,000	\$ 5,392	\$	N/A
Fiscal 2013	45,000	8,176		N/A
Fiscal 2012	74,000	7,077		N/A
Fiscal 2011	29,000	13,803		N/A
Fiscal 2010	50,000	8,958		N/A
Fiscal 2009	75,000	5,893		N/A
Fiscal 2008	34,000	10,525		N/A
Fiscal 2007	207,000	3,534		N/A
<b>Preferred Interests<sup>(2)</sup></b>				
Fiscal 2014 (as of March 31, 2014, unaudited)	\$ 134,000	\$ 99,692	\$ 20,074	N/A
Fiscal 2013	134,000	68,125	20,075	N/A
Fiscal 2012	134,000	50,475	20,079	N/A
Fiscal 2011	134,000	49,251	20,070	N/A
Fiscal 2010	134,000	48,770	20,056	N/A
Fiscal 2009	134,000	42,350	20,055	N/A
Fiscal 2008	134,000	42,343	20,175	N/A
Fiscal 2007	134,000	43,443	20,289	N/A
<b>TCPC Funding Facility<sup>(3)</sup></b>				
Fiscal 2014 (as of March 31, 2014, unaudited)	\$ 75,000	\$ 5,392	\$	N/A
Fiscal 2013	50,000	8,176		N/A

(1) The Operating Company entered into the Operating Company Facility, pursuant to which amounts may currently be drawn up to \$116 million. The Operating Company Facility matures July 31, 2016.

(2) At March 31, 2014, the Operating Company had 6,700 Preferred Interests issued and outstanding with a liquidation preference of \$20,000 per interest. The Preferred Interests will be subject to mandatory redemption on July 31, 2016.

(3) TCPC Funding entered into the TCPC Funding Facility, pursuant to which amounts may currently be drawn up to \$200 million. The TCPC Funding Facility matures on May 15, 2017, subject to extension by the lender at our request for one 12-month period.

(4)



Total amount of each class of senior securities outstanding at the end of the period presented (in 000's).

(5)

The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. For the Revolving Facilities, the asset coverage ratio with respect to indebtedness is multiplied by \$1,000 to determine the Asset Coverage Per Unit. The asset coverage ratio for the Preferred Interests is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by the sum of senior securities representing indebtedness and the liquidation preference of the Preferred Interests. For the Preferred Interests, the asset coverage ratio with respect

S-32

---

Table of Contents

to the Preferred Interests is multiplied by their liquidation value of \$20,000 plus accrued dividends to determine the Asset Coverage Per Unit.

- (6) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The " " in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.
- (7) Not applicable because our senior securities are not registered for public trading.

The above table does not include the \$108 million aggregate principal amount of the 2019 Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations Recent Developments."

Table of Contents

**SUPPLEMENT TO U.S. FEDERAL INCOME TAX MATTERS**

The following summary of U.S. federal income tax matters supplements the discussion set forth under the heading "U.S. Federal Income Tax Matters" and certain related tax disclosures in the accompanying prospectus and is subject to the qualifications and assumptions set forth therein.

The following paragraph replaces the paragraph under the heading "Risks Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to stockholders." in the accompanying prospectus:

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 large enough portion of such dividend is paid in cash (there is no definitive guidance as to what percentage of the dividend must be in cash) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, a stockholder would be taxed on 100% of the dividend in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock.

The following paragraph replaces the last paragraph under the heading "Management's Discussion and Analysis of Financial Condition and Results Of Operations Distributions" in the accompanying prospectus:

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 large enough portion of such dividend is paid in cash (there is no definitive guidance as to what percentage of the dividend must be in cash) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes.

The following paragraph replaces the fourth paragraph under the heading "U.S. Federal Income Tax Matters Taxation of U.S. stockholders" in the accompanying prospectus:

Dividends and other taxable distributions are taxable to you even though they are reinvested in additional shares of our common stock. We have the ability to declare a large portion of a dividend in shares of our stock. As long as a large enough portion of such dividend is paid in cash (there is no definitive guidance as to what percentage of the dividend must be in cash) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, our stockholders will be taxed on 100% of the dividend in the same manner as a cash dividend, even though most of the dividend was paid in shares of our stock.

**UNDERWRITING**

Deutsche Bank Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc. and Keefe, Bruyette & Woods, Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us, the Advisor, the General Partner and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

<b>Underwriter</b>	<b>Number of Shares</b>
Deutsche Bank Securities Inc.	1,242,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,134,000
Raymond James & Associates, Inc.	918,000
Keefe, Bruyette & Woods, Inc.	810,000
RBC Capital Markets, LLC	702,000
Oppenheimer & Co. Inc.	378,000
JMP Securities LLC	108,000
National Securities Corporation	108,000
<b>Total</b>	<b>5,400,000</b>

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We, the Advisor and the General Partner have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Our common stock is listed on The NASDAQ Global Select Market under the symbol "TCPC."

**Commissions and Discounts**

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of \$0.31 per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

## Edgar Filing: TCP Capital Corp. - Form 497

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	<b>Per Share</b>	<b>Without Option</b>	<b>With Option</b>
Public offering price	\$ 17.3300	\$ 93,582,000	\$ 107,619,300
Sales load (underwriting discount and commissions)	\$ 0.5199	\$ 2,807,460	\$ 3,228,579
Proceeds, before expenses, to the Company	\$ 16.8101	\$ 90,774,540	\$ 104,390,721

The expenses of the offering, not including the underwriting discount, are estimated at \$0.4 million and are payable by us, including approximately \$20,000 of expenses that we have agreed to reimburse the underwriters for the Financial Industry Regulation Authority filing fees and reasonable legal fees and expenses incurred in connection with the review and approval by the Financial Industry Regulation Authority of the terms of the offer and sale of the common stock in this offering. Such expense will indirectly be borne by investors in this offering and will consequently lower their net asset value per share.

### Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 810,000 additional shares at the public offering price, less the underwriting discount and the amount of any dividend or distribution declared by us and payable on the shares of common stock initially sold by us in this offering but not payable on the additional shares. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

### No Sales of Similar Securities

We, our executive officers and directors and certain members of the Advisor's investment committee have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 45 days after the date of this prospectus supplement without first obtaining the written consent of each of the representatives. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

offer, pledge, sell or contract to sell any common stock,

sell any option or contract to purchase any common stock,

purchase any option or contract to sell any common stock,

grant any option, right or warrant for the sale of any common stock,

lend or otherwise dispose of or transfer any common stock,

request or demand that we file a registration statement related to the common stock, or

enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

Limited exceptions include an exception for conducting limited "at-the-market" offerings and other customary exceptions.

## Edgar Filing: TCP Capital Corp. - Form 497

This lock-up provision applies to common stock and to securities convertible into, exchangeable for, exercisable for, or repayable with common stock owned now or acquired later by the directors, officers and members of the Advisor's investment committee executing the agreement or over which any director, officer and member of the Advisor's investment committee executing the agreement later acquires the power of disposition. In the event that either (x) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (y) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

### **Price Stabilization, Short Positions and Penalty Bids**

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option described above. "Naked" short sales are sales in excess of the option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on The NASDAQ Global Select Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any

representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Passive Market Making**

In connection with this offering, the underwriters may engage in passive market making transactions in our common stock on The NASDAQ Global Select Market in accordance with Rule 103 of Regulation M under the Securities Exchange Act during a period before the commencement of offers or sales of common stock and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters are not required to engage in passive market making and may end passive market making activities at any time.

### **Electronic Offer, Sale and Distribution of Shares**

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In addition, certain of the underwriters may facilitate Internet distribution for this offering to certain of its Internet subscription customers. Certain of the underwriters may allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus supplement is available on the Internet web site maintained by one or more of the underwriters. Other than the prospectus supplement in electronic format, the information on any underwriter's web site is not part of this prospectus supplement or the accompanying prospectus, or the registration statement of which the accompanying prospectus and this prospectus supplement form a part.

### **Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Proceeds of this offering may be used to repay outstanding indebtedness, including indebtedness under the TCPC Funding Facility. An affiliate of Deutsche Bank Securities Inc. is

## Edgar Filing: TCP Capital Corp. - Form 497

a lender under the TCPC Funding Facility. Accordingly, to the extent proceeds of this offering are used to repay outstanding indebtedness under the TCPC Funding Facility, an affiliate of Deutsche Bank Securities Inc. may receive more than 5% of the proceeds of this offering.

### **Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The common stock to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the common stock offered should conduct their own due diligence on the common stock. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

### **Notice to Prospective Investors in Hong Kong**

The common stock has not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares of common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **Notice to Prospective Investors in Japan**

The shares offered in this prospectus supplement have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

### **Notice to Prospective Investors in Singapore**

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the



## Edgar Filing: TCP Capital Corp. - Form 497

Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

where no consideration is or will be given for the transfer; or

where the transfer is by operation of law.

### **Principal Business Address**

The principal business address of Deutsche Bank Securities Inc. is 60 Wall Street, New York, NY 10005. The principal business address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, New York 10036. The principal business address of Raymond James & Associates, Inc. is 880 Carillon Parkway, St. Petersburg, Florida 33716. The principal business address of Keefe, Bruyette & Woods, Inc. is 787 Seventh Avenue, 4<sup>th</sup> Floor, New York, NY 10019. The principal business address of RBC Capital Markets, LLC is Three World Financial Center, 200 Vesey Street, 8th Floor, New York, NY 10281. The principal business address of Oppenheimer & Co. Inc. is 85 Broad Street, New York, NY 10004. The principal business address of JMP Securities LLC is 600 Montgomery Street, Suite 1100, San Francisco, CA 94111. The principal business address of National Securities Corporation is 410 Park Avenue, 14th Floor, New York, NY 10022.

Table of Contents

**LEGAL MATTERS**

Certain legal matters regarding the common stock offered hereby have been passed upon for the Company by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, and for the underwriters by Proskauer Rose LLP, Los Angeles, California.

**ADDITIONAL INFORMATION**

We have filed with the SEC a shelf registration statement on Form N-2, together with all amendments and related exhibits, with respect to our common stock offered by this prospectus supplement. The registration statement contains additional information about us and the common stock being registered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, including any exhibits and schedules it may contain. For further information concerning us or the shares we are offering, please refer to the registration statement. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document referred to describe the material terms thereof but are not complete and in each instance reference is made to the copy of any contract or other document filed as an exhibit to the registration statement. Each statement is qualified in all respects by this reference.

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act. You may obtain free copies of this information, request a free copy of the SAI, the table of contents of which is on page S-42 of this prospectus supplement, and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. You may also inspect and copy these reports, proxy statements and other information, as well as the registration statement of which the accompanying prospectus forms a part and the related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102. In addition, the SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC at <http://www.sec.gov>.

No dealer, salesperson or other individual has been authorized to give any information or to make any representation other than those contained in this prospectus supplement and the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by us or the underwriters. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs or that information contained herein is correct as of any time subsequent to the date hereof.

Table of Contents

**TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION**

A SAI dated as of July 29, 2014, has been filed with the SEC and is incorporated by reference in this prospectus supplement. An SAI and the material incorporated therein by reference may be obtained without charge by writing to us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us at (310) 566-1094. The Table of Contents of the SAI is as follows:

	<b>Page</b>
<u>The Company</u>	<u>SAI-3</u>
<u>Management of the Company</u>	<u>SAI-5</u>
<u>Distributions</u>	<u>SAI-18</u>
<u>Determination of Net Asset Value</u>	<u>SAI-19</u>
<u>Dividend Reinvestment Plan</u>	<u>SAI-22</u>
<u>Regulation</u>	<u>SAI-23</u>
<u>Brokerage Allocations and Other Practices</u>	<u>SAI-30</u>
	S-42

---

Table of Contents

**INDEX TO FINANCIAL STATEMENTS**

**TCP Capital Corp.**

*(successor to Special Value Continuation Fund, LLC)*

**Interim Financial Statements**

<u>Consolidated Statements of Assets and Liabilities as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-2</u>
<u>Consolidated Statements of Investments as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-3</u>
<u>Consolidated Statements of Operations for the three months ended March 31, 2014 (unaudited) and March 31, 2013 (unaudited)</u>	<u>S-F-19</u>
<u>Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2014 (unaudited) and year ended December 31, 2013</u>	<u>S-F-20</u>
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2014 (unaudited) and March 31, 2013 (unaudited)</u>	<u>S-F-21</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>S-F-22</u>
<u>Consolidated Schedule of Changes in Investments in Affiliates for the three months ended March 31, 2014 (unaudited) and year ended December 31, 2013</u>	<u>S-F-38</u>
<u>Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-42</u>
<u>Consolidating Statement of Assets and Liabilities as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-43</u>
<u>Consolidating Statement of Operations for the three months ended March 31, 2014 (unaudited) and March 31, 2013 (unaudited)</u>	<u>S-F-45</u>

**Special Value Continuation Partners, LP**

**Interim Financial Statements**

<u>Consolidated Statements of Assets and Liabilities as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-47</u>
<u>Consolidated Statements of Investments as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-48</u>
<u>Consolidated Statements of Operations for the three months ended March 31, 2014 (unaudited) and March 31, 2013 (unaudited)</u>	<u>S-F-69</u>
<u>Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2014 (unaudited) and year ended December 31, 2013</u>	<u>S-F-70</u>
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2014 (unaudited) and March 31, 2013 (unaudited)</u>	<u>S-F-71</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>S-F-72</u>
<u>Consolidated Schedule of Changes in Investments in Affiliates for the three months ended March 31, 2014 (unaudited) and year ended December 31, 2013</u>	<u>S-F-86</u>
<u>Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of March 31, 2014 (unaudited) and December 31, 2013</u>	<u>S-F-90</u>

S-F-1

Table of Contents**TCP Capital Corp.****Consolidated Statements of Assets and Liabilities**

	<b>March 31, 2014 (unaudited)</b>	<b>December 31, 2013</b>
<b>Assets</b>		
Investments, at fair value:		
Companies less than 5% owned (cost of \$741,804,363 and \$684,569,508, respectively)	\$ 744,016,378	\$ 678,326,915
Companies 5% to 25% owned (cost of \$54,759,445 and \$73,946,547, respectively)	53,487,621	69,068,808
Companies more than 25% owned (cost of \$41,985,865 and \$42,588,724 respectively)	18,153,749	18,867,236
Total investments (cost of \$838,549,673 and \$801,104,779, respectively)	815,657,748	766,262,959
Cash and cash equivalents	27,141,436	22,984,182
Accrued interest income:		
Companies less than 5% owned	8,279,978	6,282,353
Companies 5% to 25% owned	679,599	415,061
Companies more than 25% owned	38,519	41,691
Deferred debt issuance costs	3,360,310	2,969,085
Receivable for investments sold	1,031,717	3,605,964
Options (cost \$51,750)	8,605	14,139
Prepaid expenses and other assets	1,184,123	753,768
Total assets	857,382,035	803,329,202
<b>Liabilities</b>		
Debt	157,000,000	95,000,000
Incentive allocation payable	3,486,403	3,318,900
Payable for investments purchased	1,514,602	14,706,942
Payable to the Investment Manager	463,629	1,121,108
Interest payable	332,040	430,969
Unrealized depreciation on swaps	300,684	331,183
Accrued expenses and other liabilities	2,915,706	3,136,010
Total liabilities	166,013,064	118,045,112
<b>Commitments and contingencies (Note 5)</b>		
<b>Preferred equity facility</b>		
Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 6,700 interests authorized, issued and outstanding	134,000,000	134,000,000
Accumulated dividends on Series A preferred equity facility	493,757	504,252
Total preferred limited partner interests	134,493,757	134,504,252
<b>Non-controlling interest</b>		

Edgar Filing: TCP Capital Corp. - Form 497

General Partner interest in Special Value Continuation Partners, LP	2,204,587	1,168,583
---	-----------	-----------

<b>Net assets applicable to common shareholders</b>	<b>\$ 554,670,627</b>	<b>\$ 549,611,255</b>
---	-----------------------	-----------------------

**Composition of net assets applicable to common shareholders**

Common stock, \$0.001 par value; 200,000,000 shares authorized, 36,200,020 and 36,199,916 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively	36,200	36,200
Paid-in capital in excess of par	667,843,737	667,842,020
Accumulated net investment income	24,929,736	24,016,095
Accumulated net realized losses	(112,595,624)	(105,800,278)
Accumulated net unrealized depreciation	(23,338,835)	(35,314,199)
Non-controlling interest	(2,204,587)	(1,168,583)

<b>Net assets applicable to common shareholders</b>	<b>\$ 554,670,627</b>	<b>\$ 549,611,255</b>
---	-----------------------	-----------------------

<b>Net assets per share</b>	<b>\$ 15.32</b>	<b>\$ 15.18</b>
-----------------------------	-----------------	-----------------

*See accompanying notes.*

S-F-2

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b><u>Debt Investments (92.87%)</u></b>				
<b><i>Bank Debt (76.36%) (1)</i></b>				
<b>Accounting, Tax Preparation, Bookkeeping, and Payroll Services (0.93%)</b>				
Expert Global Solutions, LLC, Senior Secured 1st Lien Term Loan B, LIBOR + 7.25% (Q), 1.25% LIBOR Floor, due 4/3/18	\$ 694,441	\$ 699,603	\$ 679,684	0.08%
Expert Global Solutions, LLC, Senior Secured 2nd Lien Term Loan, LIBOR + 11% (Q), 1.5% LIBOR Floor, due 10/3/18	\$ 7,434,877	7,235,805	7,174,657	0.85%
<b>Total Accounting, Tax Preparation, Bookkeeping, and Payroll Services</b>		7,935,408	7,854,341	
<b>Activities Related to Real Estate (1.97%)</b>				
Greystone Select Holdings, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 8% (M), 1% LIBOR Floor, due 3/26/21	\$ 16,594,230	16,366,059	16,635,715	1.97%
<b>Advertising, Public Relations, and Related Services (2.15%)</b>				
Doubleplay III Limited, Senior Secured 1st Lien Facility A1 Term Loan, EURIBOR + 6.25% (Q), 1.25% EURIBOR Floor, due 3/18/18 (United Kingdom) (4), (10)	\$ 13,165,705	16,495,992	18,082,540	2.15%
<b>Artificial Synthetic Fibers and Filaments Manufacturing (0.24%)</b>				
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16 (2)	\$ 2,056,927	2,056,927	2,056,927	0.24%
<b>Basic Chemical Manufacturing (1.79%)</b>				
PeroxyChem, LLC, Senior Secured Term Loan, LIBOR + 6.5% (M), 1% LIBOR Floor, due 2/28/20	\$ 15,000,000	14,702,579	15,075,000	1.79%
<b>Business Support Services (1.76%)</b>				
	\$ 14,643,455	13,965,887	14,863,107	1.76%

STG-Fairway Acquisitions, Inc., Senior Secured  
2nd Lien Term Loan, LIBOR + 9.25% (Q), 1.25%  
LIBOR Floor, due 8/28/19

**Chemical Manufacturing (2.08%)**

Archroma, Senior Secured Lien Term Loan B,  
LIBOR + 8.25% (Q), 1.25% LIBOR Floor, due  
9/30/18

\$ 17,412,500 17,088,698 17,499,563 2.08%

**Communications Equipment Manufacturing  
(1.79%)**

Globecomm Systems Inc., Senior Secured 1st Lien  
Term Loan, LIBOR + 7.625% (Q), 1.25% LIBOR  
Floor, due 12/11/18 (2)

\$ 14,962,500 14,812,875 15,059,756 1.79%

**Computer Equipment Manufacturing (1.08%)**

ELO Touch Solutions, Inc., Senior Secured 2nd Lien  
Term Loan, LIBOR + 10.5% (Q), 1.5% LIBOR  
Floor, due 12/1/18

\$ 10,000,000 9,678,717 9,075,000 1.08%

**Converted Paper Products Manufacturing  
(0.42%)**

Ranpak Corp., Senior Secured 2nd Lien Term Loan,  
LIBOR + 7.25% (Q), 1.25% LIBOR Floor, due  
4/23/20

\$ 3,469,573 3,434,877 3,551,976 0.42%

**Computer Systems Design and Related Services  
(9.73%)**

Autoalert, LLC, Senior Secured 1st Lien Term Loan,  
LIBOR + 4.75% (Q) Cash + 4% PIK, 0.25% LIBOR  
Floor, due 3/31/19

\$ 30,000,000 29,400,000 29,940,000 3.55%

Blue Coat Systems, Inc., Senior Secured 1st Lien  
Revolver Term Loan, LIBOR + 3.5% (Q), 1%  
LIBOR Floor, due 5/31/18 (13)

\$ (960,000) (441,060) (0.05)%

Blue Coat Systems, Inc., Senior Secured 2nd Lien  
Term Loan, LIBOR + 8.5% (Q), 1% LIBOR Floor,  
due 6/28/20

\$ 15,000,000 14,878,125 15,581,250 1.85%

Coreone Technologies, LLC, Senior Secured  
1st Lien Term Loan, LIBOR + 3.75%

(Q) Cash + 5% PIK, 1% LIBOR Floor, due 9/4/18

\$ 13,726,261 13,412,993 13,643,903 1.62%

OnX Enterprise Solutions, Ltd., Senior Secured  
1st Lien Term Loan, LIBOR + 7% (Q), due 9/3/18

\$ 10,613,333 10,468,033 10,708,853 1.27%

OnX USA, LLC, Senior Secured 1st Lien Term  
Loan, LIBOR + 7% (Q), due 9/3/18

\$ 5,306,667 5,237,760 5,354,427 0.64%

Websense, Inc., Senior Secured 2nd Lien Term  
Loan, LIBOR + 7.25% (Q), 1% LIBOR Floor, due  
12/27/20

\$ 7,200,000 7,164,000 7,254,000 0.85%

**Total Computer Systems Design and Related  
Services**

79,600,911 82,041,373

S-F-3



Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
<b>Electric Power Generation, Transmission and Distribution (2.07%)</b>				
Panda Sherman Power, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 7.5% (Q), 1.5% LIBOR Floor, due 9/14/18	\$ 11,070,172	\$ 10,938,274	\$ 11,402,277	1.35%
Panda Temple Power II, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 6% (Q), 1.25% LIBOR Floor, due 4/3/19	\$ 5,892,970	5,834,041	6,062,393	0.72%
<b>Total Electric Power Generation, Transmission and Distribution</b>		16,772,315	17,464,670	
<b>Electrical Equipment and Component Manufacturing (1.99%)</b>				
Palladium Energy, Inc., 1st Lien Senior Secured Term Loan, LIBOR + 9% (Q), 1% LIBOR Floor, due 12/26/17	\$ 16,500,317	16,239,377	16,739,572	1.99%
<b>Electrical Equipment Manufacturing (0.82%)</b>				
API Technologies Corp., Senior Secured 1st Lien Term Loan, LIBOR + 7.5% (M), 1.5% LIBOR Floor, due 2/6/18	\$ 6,947,590	6,878,114	6,912,852	0.82%
<b>Financial Investment Activities (0.70%)</b>				
Marsico Capital Management, Senior Secured 1st Lien Term Loan, LIBOR + 5% (M), due 12/31/22 (11)	\$ 10,606,841	13,355,425	5,939,831	0.70%
<b>Freight Transportation Arrangement (0.44%)</b>				
Livingston International, Inc., 2nd Lien Term Loan, LIBOR + 7.75% (Q), 1.25% LIBOR Floor, due 4/18/20 (10)	\$ 3,665,217	3,599,623	3,724,777	0.44%
<b>Full-Service Restaurants (1.87%)</b>				
RM Holdco, LLC, Subordinated Convertible Term Loan, 1.12% PIK, due 3/21/18 (2)	\$ 5,164,796	5,164,796	1,402,242	0.17%
	\$ 1,422,456	1,394,868	1,422,456	0.17%

Edgar Filing: TCP Capital Corp. - Form 497

RM OpCo, LLC, Convertible 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16 (2)				
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 11%, due 3/21/16 (2)	\$ 3,647,717	3,647,717	3,647,717	0.43%
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B, 12% Cash + 7% PIK, due 3/21/16 (2)	\$ 7,087,612	7,087,612	7,087,612	0.84%
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16 (2)	\$ 2,232,131	2,194,774	2,232,131	0.26%
<b>Total Full-Service Restaurants</b>		19,489,767	15,792,158	
<b>Gaming Industries (1.66%)</b>				
AP Gaming I, LLC, Senior Secured 1st Lien Revolver Term Loan, LIBOR + 8.25% (Q), 1% LIBOR Floor, due 12/20/18 (13)	\$	(1,000,000)	(984,375)	(0.12)%
AP Gaming I, LLC, Senior Secured 1st Lien Term Loan B, LIBOR + 8.25% (Q), 1% LIBOR Floor, due 12/20/20	\$ 14,962,500	14,523,696	14,962,500	1.78%
<b>Total Gaming Industries</b>		13,523,696	13,978,125	
<b>Grocery Stores (1.78%)</b>				
Bashas, Inc., Senior Secured 1st Lien FILO Term Loan, LIBOR + 9.35% (M), 1.5% LIBOR Floor, due 12/28/15	\$ 14,781,475	14,740,030	15,003,197	1.78%
<b>Insurance Carriers (1.39%)</b>				
Acrisure, LLC, 2nd Lien Additional Notes, LIBOR + 10.5% (Q), 1% LIBOR Floor, due 3/7/20	\$ 680,363	564,204	674,555	0.08%
Acrisure, LLC, 2nd Lien Notes, LIBOR + 10.5% (Q), 1% LIBOR Floor, due 3/7/20	\$ 11,051,757	10,832,378	11,040,705	1.31%
<b>Total Insurance Carriers</b>		11,396,582	11,715,260	
<b>Insurance Related Activities (0.76%)</b>				
Confie Seguros Holding II Co., 2nd Lien Term Loan, LIBOR + 9% (M), 1.25% LIBOR Floor, due 5/8/19	\$ 6,341,809	6,249,086	6,397,332	0.76%

S-F-4

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

## Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
<b>Merchant Wholesalers (1.09%)</b>				
Envision Acquisition Company, LLC, 2nd Lien Term Loan, LIBOR + 8.75% (M), 1% LIBOR Floor, due 11/4/21	\$ 9,079,011	\$ 8,897,430	\$ 9,158,452	1.09%
<b>Motion Picture and Video Industries (1.82%)</b>				
CORE Entertainment, Inc., Senior Secured 1st Lien Term Loan, 9%, due 6/21/17	\$ 9,462,231	9,386,095	8,421,386	1.00%
CORE Entertainment, Inc., Senior Secured 2nd Lien Term Loan, 13.5%, due 6/21/18	\$ 7,569,785	7,505,822	6,933,923	0.82%
<b>Total Motion Picture and Video Industries</b>		16,891,917	15,355,309	
<b>Newspaper, Periodical, Book, and Directory Publishers (3.64%)</b>				
Hanley-Wood, LLC, 1st Lien FILO Term Loan, LIBOR + 6.75% (Q), 1.25% LIBOR Floor, due 7/15/18	\$ 16,561,400	16,561,400	16,420,628	1.95%
MediMedia USA, Inc., 1st Lien Revolver, LIBOR + 6.75% (M), due 5/20/18	\$ 5,270,000	4,107,500	4,833,908	0.57%
MediMedia USA, Inc., 1st Lien Term Loan, LIBOR + 6.75% (M), 1.25% LIBOR Floor, due 11/20/18	\$ 9,676,875	9,420,314	9,434,953	1.12%
<b>Total Newspaper, Periodical, Book, and Directory Publishers</b>		30,089,214	30,689,489	
<b>Nonresidential Building Construction (1.20%)</b>				
NCM Group Holdings, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 11.5% (Q), 1% LIBOR Floor, due 8/29/18	\$ 10,000,000	9,620,619	10,145,000	1.20%
<b>Nonscheduled Air Transportation (2.11%)</b>				
One Sky Flight, LLC, Senior Secured 2nd Lien Term Loan, 12% Cash + 3% PIK, due 6/3/19	\$ 18,243,983	16,984,017	17,742,274	2.11%

**Oil and Gas Extraction (1.83%)**

Willbros Group, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9.75% (Q), 1.25% LIBOR Floor, due 8/7/19	\$ 15,246,603	14,876,555	15,443,512	1.83%
---	---------------	------------	------------	-------

**Other Telecommunications (1.67%)**

Securus Technologies, Inc., 2nd Lien Term Loan, LIBOR + 7.75% (Q), 1.25% LIBOR Floor, due 4/30/21	\$ 14,000,000	13,860,000	14,072,940	1.67%
---	---------------	------------	------------	-------

**Petroleum and Coal Products Manufacturing (0.46%)**

Boomerang Tube, LLC, 2nd Lien Term Loan, LIBOR + 9.5% (Q), 1.5% LIBOR Floor, due 10/11/17	\$ 3,987,092	3,902,548	3,887,415	0.46%
---	--------------	-----------	-----------	-------

**Professional, Scientific, and Technical Services (1.91%)**

ConvergeOne Holdings, 1st Lien Term Loan, LIBOR + 8% (Q), 1.25% LIBOR Floor, due 5/8/19	\$ 16,112,709	15,930,795	16,112,709	1.91%
---	---------------	------------	------------	-------

**Radio and Television Broadcasting (2.94%)**

SiTV, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 6% (Q) Cash + 4% PIK, 2% LIBOR Floor, due 8/3/16	\$ 7,014,361	6,678,521	6,856,537	0.82%
---	--------------	-----------	-----------	-------

The Tennis Channel, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 8.5% (Q), due 5/29/17	\$ 17,771,217	17,344,546	17,842,301	2.12%
--	---------------	------------	------------	-------

<b>Total Radio and Television Broadcasting</b>		24,023,067	24,698,838	
--	--	------------	------------	--

**Retail (2.10%)**

Kenneth Cole Productions, Inc., Senior Secured 1st Lien FILO Term Loan, LIBOR + 10.40% (M), 1% LIBOR Floor, due 9/25/17	\$ 11,000,000	10,796,475	11,055,000	1.31%
---	---------------	------------	------------	-------

Shopzilla, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 9.5% (Q), due 3/31/16	\$ 6,710,057	6,584,026	6,699,991	0.79%
---	--------------	-----------	-----------	-------

<b>Total Retail</b>		17,380,501	17,754,991	
---------------------	--	------------	------------	--

S-F-5

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
<b>Scheduled Air Transportation (1.40%)</b>				
Aircraft Secured Mortgages Aircraft Leased to Delta Air Lines, Inc.				
N913DL, 8%, due 3/15/17 (6)	\$ 268,686	\$ 268,686	\$ 275,740	0.03%
N918DL, 8%, due 8/15/18 (6)	\$ 369,976	369,976	379,440	0.05%
N954DL, 8%, due 3/20/19 (6)	\$ 493,667	493,667	504,730	0.06%
N955DL, 8%, due 6/20/19 (6)	\$ 513,363	513,363	524,620	0.06%
N956DL, 8%, due 5/20/19 (6)	\$ 512,024	512,024	523,430	0.06%
N957DL, 8%, due 6/20/19 (6)	\$ 517,853	517,853	529,210	0.06%
N959DL, 8%, due 7/20/19 (6)	\$ 523,634	523,634	534,990	0.06%
N960DL, 8%, due 10/20/19 (6)	\$ 545,211	545,211	556,410	0.07%
N961DL, 8%, due 8/20/19 (6)	\$ 538,309	538,309	549,780	0.07%
N976DL, 8%, due 2/15/18 (6)	\$ 373,436	373,436	383,520	0.05%
Aircraft Secured Mortgages Aircraft Leased to United Airlines, Inc.				
N510UA, 20%, due 10/26/16 (2)	\$ 305,802	305,802	370,358	0.04%
N512UA, 20%, due 10/26/16 (2)	\$ 311,984	311,984	380,048	0.05%
N536UA, 16%, due 9/29/14 (2)	\$ 69,373	69,373	71,630	0.01%
N545UA, 16%, due 8/29/15 (2)	\$ 214,325	214,325	233,415	0.03%
N585UA, 20%, due 10/25/16 (2)	\$ 366,316	366,316	446,310	0.05%
N659UA, 12%, due 2/28/16 (6)	\$ 2,439,123	2,439,123	2,635,667	0.31%
N661UA, 12%, due 5/4/16 (6)	\$ 2,619,284	2,619,284	2,862,717	0.34%
<b>Total Scheduled Air Transportation</b>		10,982,366	11,762,015	
<b>Semiconductor and Other Electronic Component Manufacturing (1.64%)</b>				
Isola USA Corporation, Senior Secured Term Loan B, LIBOR + 8.25% (Q), 1% LIBOR Floor, due 11/29/18				
	\$ 14,492,188	14,285,320	14,854,492	1.76%
SunEdison, Inc., Senior Secured Letters of Credit, 3.75%, due 2/28/17 (12), (13)				
	\$	(1,031,717)	(1,031,717)	(0.12)%
<b>Total Semiconductor and Other Electronic Component Manufacturing</b>		13,253,603	13,822,775	

**Software Publishers (6.91%)**

Acronis International GmbH, 1st Lien Term Loan, LIBOR + 9.5% (Q), 1% LIBOR Floor, due 2/21/17 (Switzerland) (10)	\$ 13,628,929	13,363,718	13,676,630	1.62%
BlackLine Systems, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 0.4% (Q) Cash + 7.6% PIK, 1.5% LIBOR Floor, due 9/25/18	\$ 12,818,762	12,050,059	12,440,609	1.48%
Deltek, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 8.75% (Q), 1.25% LIBOR Floor, due 10/10/19	\$ 15,000,000	14,811,452	15,324,975	1.82%
Edmentum, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 9.75% (Q), 1.5% LIBOR Floor, due 5/17/19	\$ 16,500,000	16,271,792	16,788,750	1.99%

**Total Software Publishers**

56,497,021 58,230,964

**Specialty Hospitals (0.59%)**

UBC Healthcare Analytics, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9% (Q), 1% LIBOR Floor, due 7/1/18	\$ 4,933,947	4,909,278	4,958,617	0.59%
---	--------------	-----------	-----------	-------

**Support Activities for Mining (0.00%)**

McDermott International, Inc., Bridge Facility Commitment	\$			
---	----	--	--	--

**Textile Furnishings Mills (1.96%)**

Lexmark Carpet Mills, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 10% (Q), 1% LIBOR Floor, due 9/30/18	\$ 16,351,467	15,942,680	16,523,158	1.96%
---	---------------	------------	------------	-------

**Wired Telecommunications Carriers (1.83%)**

Integra Telecom Holdings, Inc., 2nd Lien Term Loan, LIBOR + 8.5% (Q), 1.25% LIBOR Floor, due 2/22/20	\$ 15,000,000	14,709,735	15,390,000	1.83%
--	---------------	------------	------------	-------

**Wireless Telecommunications Carriers (3.84%)**

Alpheus Communications, LLC, Senior Secured 1st Lien Delayed Draw FILO Term Loan, LIBOR + 6.92% (Q), 1% LIBOR Floor, due 5/31/18 (13)	\$	(11,183)	(7,874)	
	S-F-6			

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
Alpheus Communications, LLC, Senior Secured 1st Lien FILO Term Loan, LIBOR + 6.92% (Q), 1% LIBOR Floor, due 5/31/18	\$ 8,248,124	\$ 8,166,127	\$ 8,190,387	0.97%
Globalive Wireless Management Corp., Senior Secured 1st Lien Term Loan, LIBOR + 10.9% (Q), due 4/30/14 (Canada) (10)	\$ 3,037,292	2,933,872	3,067,665	0.36%
Gogo, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 9.75% (Q), 1.5% LIBOR Floor, due 6/21/17	\$ 19,461,356	18,587,291	21,115,572	2.51%
<b>Total Wireless Telecommunications Carriers</b>		29,676,107	32,365,750	
<b>Total Bank Debt</b>		636,810,398	643,577,280	
<b>Other Corporate Debt Securities (16.51%)</b>				
<b>Artificial Synthetic Fibers and Filaments Manufacturing (1.10%)</b>				
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16 (2), (5)	\$ 9,268,000	7,586,317	9,268,000	1.10%
<b>Beverage Manufacturing (1.00%)</b>				
Carolina Beverage Group, LLC, Secured Notes, 10.625%, due 8/1/18 (5)	\$ 7,780,000	7,780,000	8,441,300	1.00%
<b>Data Processing, Hosting, and Related Services (0.90%)</b>				
The Telx Group, Inc., Senior Unsecured Notes, 10% Cash + 2% PIK, due 9/26/19 (5)	\$ 7,098,916	6,960,435	7,560,346	0.90%
<b>Fabricated Metal Product Manufacturing (1.31%)</b>				
Constellation Enterprises, LLC, Senior Secured 1st Lien Notes, 10.625%, due 2/1/16 (5), (7)	\$ 12,500,000	12,322,875	11,000,000	1.31%
<b>Lessors of Real Estate (1.60%)</b>				

Edgar Filing: TCP Capital Corp. - Form 497

Hunt Companies, Inc., Senior Secured Notes, 9.625%, due 3/1/21 (5)	\$ 13,084,000	12,922,359	13,476,520	1.60%
<b>Nondepository Credit Intermediation (3.07%)</b>				
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19 (Cayman Islands) (5), (8), (10)	\$ 10,000,000	9,829,350	10,850,000	1.29%
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18 (5), (10)	\$ 15,084,000	15,084,000	15,084,000	1.78%
<b>Total Nondepository Credit Intermediation</b>		24,913,350	25,934,000	
<b>Plastics Products Manufacturing (1.72%)</b>				
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18 (5)	\$ 13,600,000	13,600,000	14,478,995	1.72%
<b>Retail (0.01%)</b>				
Shop Holding LLC, Convertible Promissory Note, 5%, due 8/5/15 (5)	\$ 73,140	73,140	71,494	0.01%
<b>Satellite Telecommunications (1.25%)</b>				
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19 (5), (7), (10)	\$ 9,914,000	9,914,000	10,576,999	1.25%
<b>Scientific Research and Development Services (2.14%)</b>				
BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17 (5)	\$ 17,200,000	16,536,295	18,060,000	2.14%
<b>Specialty Hospitals (0.61%)</b>				
Vantage Oncology, LLC, Senior Secured Notes, 9.5%, due 6/15/17 (5)	\$ 5,000,000	5,000,000	5,150,000	0.61%
<b>Structured Note Funds (1.80%)</b>				
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21 (Cayman Islands) (5), (10)	\$ 15,000,000	15,000,000	15,147,000	1.80%
<b>Total Other Corporate Debt Securities</b>		132,608,771	139,164,654	
<b>Total Debt Investments</b>		769,419,169	782,741,934	

S-F-7



Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Shares	Cost	Fair Value	Percent of Cash and Investments
<b>Equity Securities (3.91%)</b>				
<b>Business Support Services (0.26%)</b>				
Findly Talent, LLC, Membership Units (3), (5)	708,229	\$ 230,938	\$ 162,185	0.02%
STG-Fairway Holdings, LLC, Class A Units (3), (5)	841,479	943,287	1,990,939	0.24%
<b>Total Business Support Services</b>		1,174,225	2,153,124	
<b>Communications Equipment Manufacturing (0.59%)</b>				
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units (2), (3), (5)	5,000,000	5,000,000	5,000,000	0.59%
<b>Data Processing, Hosting, and Related Services (0.11%)</b>				
Anacomp, Inc., Class A Common Stock (3), (5), (6)	1,255,527	26,711,048	891,424	0.11%
<b>Depository Credit Intermediation (0.06%)</b>				
Doral Financial Corporation, Common Stock (Puerto Rico) (3), (10), (12)	53,890	11,699,417	467,763	0.06%
<b>Financial Investment Activities (0.00%)</b>				
Marsico Holdings, LLC, Common Interest Units (3), (5), (11)	168,698	172,694	25,305	
<b>Full-Service Restaurants (0.00%)</b>				
RM Holdco, LLC, Membership Units (2), (3), (5)	13,161,000	2,010,777		
<b>Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing (0.00%)</b>				
Precision Holdings, LLC, Class C Membership Interests (3), (5)	33		7,397	
<b>Nonmetallic Mineral Mining and Quarrying (0.19%)</b>				
EPMC HoldCo, LLC, Membership Units (2), (5)	1,312,720		1,562,137	0.19%
<b>Nonscheduled Air Transportation (0.17%)</b>				
Flight Options Holdings I, Inc., Warrants to Purchase Common Stock (3), (5)	1,843	1,274,000	1,412,078	0.17%
<b>Radio and Television Broadcasting (0.04%)</b>				

SiTV, Inc., Warrants to Purchase Common Stock (3), (5)	233,470	300,322	357,209	0.04%
--	---------	---------	---------	-------

**Retail (0.06%)**

Shop Holding, LLC, Class A Units (3), (5)	507,167	480,049	476,628	0.06%
Shop Holding, LLC, Warrants to Purchase Class A Units (3), (5)	326,691		17,834	

<b>Total Electronic Shopping</b>		480,049	494,462	
----------------------------------	--	---------	---------	--

**Scheduled Air Transportation (1.11%)**

## Equipment Trusts Aircraft Leased to Delta Air Lines, Inc.

N913DL Trust Beneficial Interests (5), (6)	795	94,231	123,930	0.01%
N918DL Trust Beneficial Interests (5), (6)	673	105,629	141,270	0.02%
N954DL Trust Beneficial Interests (5), (6)	636	126,797	69,190	0.01%
N955DL Trust Beneficial Interests (5), (6)	618	127,179	112,710	0.01%
N956DL Trust Beneficial Interests (5), (6)	623	118,190	108,290	0.01%
N957DL Trust Beneficial Interests (5), (6)	618	128,014	109,140	0.01%
N959DL Trust Beneficial Interests (5), (6)	614	128,843	109,990	0.01%
N960DL Trust Beneficial Interests (5), (6)	602	132,148	109,140	0.01%
N961DL Trust Beneficial Interests (5), (6)	610	131,332	103,700	0.01%
N976DL Trust Beneficial Interests (5), (6)	709	108,697	102,862	0.01%

## Equipment Trusts Aircraft Leased to United Airlines, Inc.

N510UA Trust Beneficial Interests (2), (5)	56	211,477	453,896	0.05%
N512UA Trust Beneficial Interests (2), (5)	56	206,766	446,071	0.05%
N536UA Trust Beneficial Interests (2), (5)	86	424,460	526,943	0.06%
N545UA Trust Beneficial Interests (2), (5)	71	371,557	632,959	0.08%
N585UA Trust Beneficial Interests (2), (5)	56	229,521	465,546	0.06%

S-F-8

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Unaudited) (Continued)

March 31, 2014

Showing Percentage of Total Cash and Investments of the Company

Investment	Shares	Cost	Fair Value	Percent of Cash and Investments
<b><u>Equity Securities (continued)</u></b>				
United N659UA-767, LLC (N659UA) (5), (6)	439	\$ 2,197,988	\$ 2,950,833	0.35%
United N661UA-767, LLC (N661UA) (5), (6)	426	2,161,205	2,961,015	0.35%
<b>Total Scheduled Air Transportation</b>		7,004,034	9,527,485	
<b>Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing (0.09%)</b>				
KAGY Holding Company, Inc., Series A Preferred Stock (2), (3), (5)	9,778	1,091,200	721,467	0.09%
<b>Semiconductor and Other Electronic Component Manufacturing (0.03%)</b>				
AIP/IS Holdings, LLC, Membership Units (3), (5)	352		229,504	0.03%
<b>Software Publishers (0.06%)</b>				
SLS Breeze Intermediate Holdings, Inc., Warrants to Purchase Common Stock (3), (5)	1,232,731	522,678	530,074	0.06%
<b>Wired Telecommunications Carriers (1.14%)</b>				
Integra Telecom, Inc., Common Stock (3), (5)	1,274,522	8,433,884	5,586,951	0.67%
Integra Telecom, Inc., Warrants (3), (5)	346,939	19,920	186,275	0.02%
V Telecom Investment S.C.A., Common Shares (Luxembourg) (3), (4), (5), (10)	1,393	3,236,256	3,763,159	0.45%
<b>Total Wired Telecommunications Carriers</b>		11,690,060	9,536,385	
<b>Total Equity Securities</b>		69,130,504	32,915,814	
<b>Total Investments</b>		838,549,673	815,657,748	

**Cash and Cash Equivalents (3.22%)**

Wells Fargo & Company, Overnight Repurchase Agreement, 0.03%, Collateralized by Freddie Mac Note	\$ 16,373,605	1.95%
Union Bank of California, Commercial Paper, 0.10%, due 4/1/14	6,000,000	0.71%
Cash Denominated in Foreign Currencies	121,879	0.01%
Cash Held on Account at Various Institutions	4,645,952	0.55%
<b>Cash and Cash Equivalents</b>	<b>27,141,436</b>	
<b>Total Cash and Investments (9)</b>	<b>\$ 842,799,184</b>	<b>100.00%</b>

---

*Notes to Statement of Investments:*

- (1) Investments in bank debt generally are bought and sold among institutional investors in transactions not subject to registration under the Securities Act of 1933. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.
- (2) Non-controlled affiliate as defined under the Investment Company Act of 1940 (ownership of between 5% and 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.
- (3) Non-income producing security.
- (4) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. (See Note 2)
- (5) Restricted security. (See Note 2)
- (6) Controlled issuer as defined under the Investment Company Act of 1940 (ownership of 25% or more of the 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.
- (7) Investment has been segregated to collateralize certain unfunded commitments.

Table of Contents

**TCP Capital Corp.**

**Consolidated Statement of Investments (Unaudited) (Continued)**

**March 31, 2014**

**Showing Percentage of Total Cash and Investments of the Company**

- (8) \$5,000,000 principal amount of this investment has been segregated to collateralize certain unfunded commitments.
- (9) All cash and investments, except those referenced in Notes 7 and 8 above, are pledged as collateral under the Revolving Facilities as described in Note 4 to the Consolidated Financial Statements.
- (10) Non-U.S. company or principal place of business outside the U.S. and as a result 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.
- (11) Excepted from the definition of investment company under Section 3(c) of the Investment Company Act and as a result 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.
- (12) Publicly traded company with a market capitalization greater than \$250 million and as a result 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.
- (13) Negative balances relate to an unfunded commitment that was acquired and valued at a discount.

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$110,386,498, and \$66,876,929, respectively for the three months ended March 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 March 31, 2014 was \$815,189,985, or 96.7% of total cash and investments of the Company.

Options and Swaps at March 31, 2014 were as follows:

<b>Investment</b>	<b>Notional Amount</b>	<b>Fair Value</b>
-------------------	----------------------------	-----------------------

Edgar Filing: TCP Capital Corp. - Form 497

Interest Rate Cap, 4%, expires 5/15/2016	\$ 25,000,000	\$ 8,605
Euro/US Dollar Cross-Currency Basis Swap, Pay Euros/Receive USD, Expires 3/31/17	\$ 4,289,019	\$ (300,684)

*See accompanying notes.*

S-F-10

---

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b><u>Debt Investments (92.05%)</u></b>				
<b><i>Bank Debt (74.53%) (1)</i></b>				
<b>Accounting, Tax Preparation, Bookkeeping, and Payroll Services (1.03%)</b>				
Expert Global Solutions, LLC, Senior Secured 1st Lien Term Loan B, LIBOR + 7.25% (Q), 1.25% LIBOR Floor, due 4/3/18	\$ 699,754	\$ 701,280	\$ 703,691	0.09%
Expert Global Solutions, LLC, Senior Secured 2nd Lien Term Loan, LIBOR + 11% (Q), 1.5% LIBOR Floor, due 10/3/18	\$ 7,434,877	7,228,004	7,382,833	0.94%
<b>Total Accounting, Tax Preparation, Bookkeeping, and Payroll Services</b>		7,929,284	8,086,524	
<b>Advertising, Public Relations, and Related Services (2.12%)</b>				
Doubleplay III Limited, Senior Secured 1st Lien Facility A1 Term Loan, EURIBOR + 6.25% (Q), 1.25% EURIBOR Floor, due 3/18/18 (United Kingdom) (4), (10)	\$ 13,165,705	16,428,630	16,736,606	2.12%
<b>Artificial Synthetic Fibers and Filaments Manufacturing (0.26%)</b>				
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16 (2)	\$ 2,056,927	2,056,927	2,056,927	0.26%
<b>Business Support Services (1.89%)</b>				
STG-Fairway Acquisitions, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 9.25% (Q), 1.25% LIBOR Floor, due 8/28/19	\$ 14,643,455	13,944,123	14,929,002	1.89%
<b>Chemical Manufacturing (2.20%)</b>				
Archroma, Senior Secured Lien Term Loan B, LIBOR + 8.25% (Q), 1.25% LIBOR Floor, due 9/30/18	\$ 17,456,250	17,107,125	17,401,699	2.20%
<b>Communications Equipment Manufacturing (1.91%)</b>				
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625% (Q), 1.25% LIBOR	\$ 15,000,000	14,850,000	15,097,500	1.91%

Floor, due 12/11/18 (2)

**Computer Equipment Manufacturing (1.15%)**ELO Touch Solutions, Inc., Senior Secured 2nd Lien  
Term Loan, LIBOR + 10.5% (Q), 1.5% LIBOR

Floor, due 12/1/18 \$ 10,000,000 9,666,672 9,100,000 1.15%

**Converted Paper Products Manufacturing  
(0.45%)**Ranpak Corp., Senior Secured 2nd Lien Term Loan,  
LIBOR + 7.25% (Q), 1.25% LIBOR Floor, due  
4/23/20

\$ 3,469,573 3,434,877 3,573,660 0.45%

**Computer Systems Design and Related Services  
(5.40%)**Blue Coat Systems, Inc., Senior Secured 1st Lien  
Revolver Term Loan, LIBOR + 3.5% (Q), 1%

LIBOR Floor, due 5/31/18 \$ 4,500,000 3,540,000 4,060,800 0.51%

Blue Coat Systems, Inc., Senior Secured 2nd Lien  
Term Loan, LIBOR + 8.5% (Q), 1% LIBOR Floor,  
due 6/28/20

\$ 15,000,000 14,878,125 15,300,000 1.94%

OnX Enterprise Solutions, Ltd., Senior Secured  
1st Lien Term Loan, LIBOR + 7% (Q), due 9/3/18

\$ 10,640,000 10,483,300 10,709,160 1.36%

OnX USA, LLC, Senior Secured 1st Lien Term Loan,  
LIBOR + 7% (Q), due 9/3/18

\$ 5,320,000 5,244,790 5,354,580 0.68%

Websense, Inc., Senior Secured 2nd Lien Term Loan,  
LIBOR + 7.25% (Q), 1% LIBOR Floor, due 12/27/20

\$ 7,200,000 7,164,000 7,218,000 0.91%

**Total Computer Systems Design and Related  
Services**

41,310,215 42,642,540

**Electric Power Generation, Transmission and  
Distribution (2.21%)**Panda Sherman Power, LLC, Senior Secured 1st Lien  
Term Loan, LIBOR + 7.5% (Q), 1.5% LIBOR Floor,  
due 9/14/18

\$ 11,070,172 10,932,474 11,402,277 1.44%

Panda Temple Power II, LLC, Senior Secured  
1st Lien Term Loan, LIBOR + 6% (Q), 1.25%  
LIBOR Floor, due 4/3/19

\$ 5,892,970 5,834,041 6,069,759 0.77%

**Total Electric Power Generation, Transmission  
and Distribution**

16,766,515 17,472,036

S-F-11



Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
<b>Electrical Equipment and Component Manufacturing (2.08%)</b>				
Palladium Energy, Inc., 1st Lien Senior Secured Term Loan, LIBOR + 9% (Q), 1% LIBOR Floor, due 12/26/17	\$ 16,500,317	\$ 16,225,541	\$ 16,426,066	2.08%
<b>Financial Investment Activities (0.49%)</b>				
Marsico Capital Management, Senior Secured 1st Lien Term Loan, LIBOR + 5% (M), due 12/31/22 (11)	\$ 10,637,623	13,394,183	3,882,732	0.49%
<b>Freight Transportation Arrangement (0.48%)</b>				
Livingston International, Inc., 2nd Lien Term Loan, LIBOR + 7.75% (Q), 1.25% LIBOR Floor, due 4/18/20 (10)	\$ 3,665,217	3,597,620	3,756,848	0.48%
<b>Full-Service Restaurants (2.04%)</b>				
RM Holdco, LLC, Subordinated Convertible Term Loan, 1.12% PIK, due 3/21/18 (2)	\$ 5,164,796	5,164,796	2,197,621	0.28%
RM OpCo, LLC, Convertible 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16 (2)	\$ 1,370,199	1,339,883	1,370,199	0.17%
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 11%, due 3/21/16 (2)	\$ 3,626,947	3,626,947	3,626,947	0.46%
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B, 12% Cash + 7% PIK, due 3/21/16 (2)	\$ 6,825,328	6,825,328	6,825,328	0.86%
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16 (2)	\$ 2,150,088	2,109,019	2,150,088	0.27%
<b>Total Full-Service Restaurants</b>		19,065,973	16,170,183	
<b>Gaming Industries (1.87%)</b>				
AP Gaming I, LLC, Senior Secured 1st Lien Term Loan B, LIBOR + 8.25% (Q), 1% LIBOR Floor, due 12/20/20	\$ 15,000,000	14,550,000	14,737,500	1.87%
<b>Grocery Stores (1.91%)</b>				
	\$ 14,843,788	14,802,168	15,066,445	1.91%

Bashas, Inc., Senior Secured 1st Lien FILO Term  
Loan, LIBOR + 9.35% (M), 1.5% LIBOR Floor, due  
12/28/15

**Inland Water Transportation (1.64%)**

US Shipping Corp, Senior Secured 1st Lien Term Loan B, LIBOR + 7.75% (Q), 1.25% LIBOR Floor, due 4/30/18	\$ 12,603,333	12,477,300	12,965,679	1.64%
--	---------------	------------	------------	-------

**Insurance Related Activities (0.81%)**

Confie Seguros Holding II Co., 2nd Lien Term Loan, LIBOR + 9% (M), 1.25% LIBOR Floor, due 5/8/19	\$ 6,341,809	6,245,733	6,391,370	0.81%
---	--------------	-----------	-----------	-------

**Merchant Wholesalers (1.16%)**

Envision Acquisition Company, LLC, 2nd Lien Term Loan, LIBOR + 8.75% (M), 1% LIBOR Floor, due 11/4/21	\$ 9,079,011	8,897,430	9,192,498	1.16%
---	--------------	-----------	-----------	-------

**Motion Picture and Video Industries (1.97%)**

CORE Entertainment, Inc., Senior Secured 1st Lien Term Loan, 9%, due 6/21/17	\$ 9,462,231	9,381,116	8,610,631	1.09%
CORE Entertainment, Inc., Senior Secured 2nd Lien Term Loan, 13.5%, due 6/21/18	\$ 7,569,785	7,502,054	6,858,225	0.88%

<b>Total Motion Picture and Video Industries</b>		16,883,170	15,468,856	
--	--	------------	------------	--

**Newspaper, Periodical, Book, and Directory  
Publishers (3.90%)**

Hanley-Wood, LLC, 1st Lien FILO Term Loan, LIBOR + 6.75% (Q), 1.25% LIBOR Floor, due 7/15/18	\$ 16,707,600	16,707,600	16,699,246	2.13%
MediMedia USA, Inc., 1st Lien Revolver, LIBOR + 6.75% (M), due 5/20/18	\$ 4,960,000	3,797,500	4,523,908	0.57%

S-F-12

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
MediMedia USA, Inc., 1st Lien Term Loan, LIBOR + 6.75% (M), 1.25% LIBOR Floor, due 11/20/18	\$ 9,701,250	\$ 9,433,029	\$ 9,458,719	1.20%
<b>Total Newspaper, Periodical, Book, and Directory Publishers</b>		29,938,129	30,681,873	
<b>Nonresidential Building Construction (1.25%)</b>				
NCM Group Holdings, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 11.5% (Q), 1% LIBOR Floor, due 8/29/18	\$ 10,000,000	9,620,619	9,875,000	1.25%
<b>Nonscheduled Air Transportation (2.24%)</b>				
One Sky Flight, LLC, Senior Secured 2nd Lien Term Loan, 12% Cash + 3% PIK, due 5/4/19	\$ 18,200,000	16,929,086	17,708,600	2.24%
<b>Oil and Gas Extraction (1.98%)</b>				
Willbros Group, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9.75% (Q), 1.25% LIBOR Floor, due 8/7/19	\$ 15,426,118	15,051,713	15,657,510	1.98%
<b>Other Telecommunications (1.76%)</b>				
Securus Technologies, Inc., 2nd Lien Term Loan, LIBOR + 7.75% (Q), 1.25% LIBOR Floor, due 4/30/21	\$ 14,000,000	13,860,000	13,925,660	1.76%
<b>Petroleum and Coal Products Manufacturing (0.95%)</b>				
Boomerang Tube, LLC, 2nd Lien Term Loan, LIBOR + 9.5% (Q), 1.5% LIBOR Floor, due 10/11/17	\$ 7,749,023	7,563,978	7,477,807	0.95%
<b>Professional, Scientific, and Technical Services (3.14%)</b>				
Connolly, LLC, Senior Secured 2nd Lien Term Loan, LIBOR + 9.25% (Q), 1.25% LIBOR Floor, due 7/15/19	\$ 12,000,000	11,829,534	12,270,000	1.55%
ConvergeOne Holdings, 1st Lien Term Loan, LIBOR + 8% (Q), 1.25% LIBOR Floor, due 5/8/19	\$ 12,654,643	12,464,823	12,570,236	1.59%

<b>Total Professional, Scientific, and Technical Services</b>		24,294,357	24,840,236	
<b>Promoters of Performing Arts, Sports, and Similar Events (1.40%)</b>				
Stadium Management Group, Senior Secured 2nd Lien Term Loan, LIBOR + 9.50% (M), 1.25% LIBOR Floor, due 12/7/18	\$ 11,000,000	10,817,390	11,055,000	1.40%
<b>Radio and Television Broadcasting (3.09%)</b>				
SiTV, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 6% (Q) Cash + 4% PIK, 2% LIBOR Floor, due 8/3/16	\$ 6,995,124	6,648,634	6,774,778	0.86%
The Tennis Channel, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 8.5% (Q), due 5/29/17	\$ 17,589,459	17,134,705	17,615,843	2.23%
<b>Total Radio and Television Broadcasting</b>		23,783,339	24,390,621	
<b>Retail (2.29%)</b>				
Kenneth Cole Productions, Inc., Senior Secured 1st Lien FILO Term Loan, LIBOR + 10.40% (M), 1% LIBOR Floor, due 9/25/17	\$ 11,272,727	11,051,496	11,329,090	1.44%
Shopzilla, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 9.5% (Q), due 3/31/16	\$ 6,710,057	6,525,027	6,683,216	0.85%
<b>Total Retail</b>		17,576,523	18,012,306	
<b>Scheduled Air Transportation (1.60%)</b>				
Aircraft Secured Mortgages Aircraft Leased to Delta Air Lines, Inc.				
N913DL, 8%, due 3/15/17 (6)	\$ 289,048	289,048	296,820	0.04%
N918DL, 8%, due 8/15/18 (6)	\$ 388,001	388,001	397,290	0.05%
N954DL, 8%, due 3/20/19 (6)	\$ 514,375	514,375	524,620	0.07%
N955DL, 8%, due 6/20/19 (6)	\$ 533,283	533,283	543,320	0.07%
N956DL, 8%, due 5/20/19 (6)	\$ 532,275	532,275	542,640	0.07%

S-F-13

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b><u>Debt Investments (continued)</u></b>				
N957DL, 8%, due 6/20/19 (6)	\$ 537,947	\$ 537,947	\$ 548,250	0.07%
N959DL, 8%, due 7/20/19 (6)	\$ 543,573	543,573	553,520	0.07%
N960DL, 8%, due 10/20/19 (6)	\$ 564,855	564,855	574,430	0.07%
N961DL, 8%, due 8/20/19 (6)	\$ 558,427	558,427	568,310	0.07%
N976DL, 8%, due 2/15/18 (6)	\$ 394,360	394,360	404,600	0.05%
Aircraft Secured Mortgages Aircraft Leased to United Airlines, Inc.				
N510UA, 20%, due 10/26/16 (2)	\$ 328,848	328,848	404,605	0.05%
N512UA, 20%, due 10/26/16 (2)	\$ 334,535	334,535	414,010	0.05%
N536UA, 16%, due 9/29/14 (2)	\$ 108,845	108,845	114,000	0.01%
N545UA, 16%, due 8/29/15 (2)	\$ 249,695	249,695	275,405	0.03%
N585UA, 20%, due 10/25/16 (2)	\$ 392,794	392,794	486,115	0.06%
N659UA, 12%, due 2/28/16 (6)	\$ 2,708,150	2,708,150	2,948,986	0.37%
N661UA, 12%, due 5/4/16 (6)	\$ 2,880,186	2,880,186	3,171,026	0.40%
<b>Total Scheduled Air Transportation</b>		11,859,197	12,767,947	
<b>Semiconductor and Other Electronic Component Manufacturing (1.87%)</b>				
Isola USA Corporation, Senior Secured Term Loan B, LIBOR + 8.25% (Q), 1% LIBOR Floor, due 11/29/18				
	\$ 14,583,333	14,366,560	14,729,167	1.87%
<b>Software Publishers (7.13%)</b>				
BlackLine Systems, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 0.4% (Q) Cash + 7.6% PIK, 1.5% LIBOR Floor, due 9/25/18				
	\$ 12,579,747	11,811,044	12,183,485	1.56%
Coreone Technologies, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 3.75% (Q) Cash + 5% PIK, 1% LIBOR Floor, due 9/4/18				
	\$ 13,556,801	13,243,533	13,455,125	1.72%
Deltek, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 8.75% (Q), 1.25% LIBOR Floor, due 10/10/19				
	\$ 15,000,000	14,805,253	15,300,000	1.94%
Edmentum, Inc., Senior Secured 2nd Lien Term Loan, LIBOR + 9.75% (Q), 1.5% LIBOR Floor, due 5/17/19				
	\$ 15,000,000	14,748,486	15,112,500	1.91%

<b>Total Software Publishers</b>		54,608,316	56,051,110	
<b>Specialty Hospitals (0.70%)</b>				
UBC Healthcare Analytics, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9% (Q), 1% LIBOR Floor, due 7/1/18	\$ 5,526,021	5,498,391	5,559,177	0.70%
<b>Textile Furnishings Mills (2.08%)</b>				
Lexmark Carpet Mills, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 10% (Q), 1% LIBOR Floor, due 9/30/18	\$ 16,351,467	15,942,680	16,392,346	2.08%
<b>Wired Telecommunications Carriers (1.96%)</b>				
Integra Telecom Holdings, Inc., 2nd Lien Term Loan, LIBOR + 8.5% (Q), 1.25% LIBOR Floor, due 2/22/20	\$ 15,000,000	14,701,027	15,459,375	1.96%
<b>Wireless Telecommunications Carriers (4.12%)</b>				
Alpheus Communications, LLC, Senior Secured 1st Lien Delayed Draw FILO Term Loan, LIBOR + 6.92% (Q), 1% LIBOR Floor, due 5/31/18 (13)	\$	(11,183)	(8,437)	
Alpheus Communications, LLC, Senior Secured 1st Lien FILO Term Loan, LIBOR + 6.92% (Q), 1% LIBOR Floor, due 5/31/18	\$ 8,248,124	8,166,127	8,186,263	1.04%
Globalive Wireless Management Corp., Senior Secured 1st Lien Term Loan, LIBOR + 10.9% (Q), due 4/30/14 (Canada) (10)	\$ 3,037,292	2,933,872	3,067,665	0.39%
	S-F-14			

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Principal Amount	Cost	Fair Value	Percent of Cash and Investments
<b>Debt Investments (continued)</b>				
Gogo, LLC, Senior Secured 1st Lien Term Loan, LIBOR + 9.75% (Q), 1.5% LIBOR Floor, due 6/21/17	\$ 19,587,428	\$ 18,707,700	\$ 21,252,360	2.69%
<b>Total Wireless Telecommunications Carriers</b>		29,796,516	32,497,851	
<b>Total Bank Debt</b>		585,841,307	588,236,257	
<b>Other Corporate Debt Securities (17.52%)</b>				
<b>Architectural, Engineering, and Related Services (1.01%)</b>				
ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 6% Cash + 10% PIK, due 12/31/19 (2), (5)	\$ 7,959,369	7,959,369	7,959,369	1.01%
<b>Artificial Synthetic Fibers and Filaments Manufacturing (1.17%)</b>				
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16 (2), (5)	\$ 9,268,000	7,586,317	9,268,000	1.17%
<b>Beverage Manufacturing (1.04%)</b>				
Carolina Beverage Group, LLC, Secured Notes, 10.625%, due 8/1/18 (5)	\$ 7,780,000	7,780,000	8,207,900	1.04%
<b>Data Processing, Hosting, and Related Services (0.97%)</b>				
The Telx Group, Inc., Senior Unsecured Notes, 10% Cash + 2% PIK, due 9/26/19 (5)	\$ 7,098,916	6,960,435	7,631,335	0.97%
<b>Fabricated Metal Product Manufacturing (1.38%)</b>				
Constellation Enterprises, LLC, Senior Secured 1st Lien Notes, 10.625%, due 2/1/16 (5), (7)	\$ 12,500,000	12,322,875	10,875,000	1.38%
<b>Metal Ore Mining (0.78%)</b>				
St Barbara Ltd., 1st Priority Senior Secured Notes, 8.875%, due 4/15/18 (Australia) (5)	\$ 7,359,000	7,326,651	6,144,765	0.78%
<b>Nondepository Credit Intermediation (3.25%)</b>				

Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19 (Cayman Islands) (5), (10)	\$ 10,000,000	9,824,072	10,700,000	1.35%
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18 (5), (10)	\$ 15,000,000	15,000,000	14,962,500	1.90%
<b>Total Nondepository Credit Intermediation</b>		24,824,072	25,662,500	
<b>Plastics Products Manufacturing (1.83%)</b>				
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18 (5)	\$ 13,600,000	13,600,000	14,426,622	1.83%
<b>Satellite Telecommunications (1.31%)</b>				
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19 (5), (8), (10)	\$ 9,914,000	9,914,000	10,335,345	1.31%
<b>Scientific Research and Development Services (2.23%)</b>				
BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17 (5)	\$ 17,200,000	16,536,295	17,630,000	2.23%
<b>Specialty Hospitals (0.65%)</b>				
Vantage Oncology, LLC, Senior Secured Notes, 9.5%, due 6/15/17 (5)	\$ 5,000,000	5,000,000	5,137,500	0.65%
<b>Structured Note Funds (1.90%)</b>				
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21 (Cayman Islands) (5), (10)	\$ 15,000,000	15,000,000	15,000,000	1.90%
<b>Total Other Corporate Debt Securities</b>		134,810,014	138,278,336	
<b>Total Debt Investments</b>		720,651,321	726,514,593	



Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Shares	Cost	Fair Value	Percent of Cash and Investments
<b>Equity Securities (5.04%)</b>				
<b>Architectural, Engineering, and Related Services (0.87%)</b>				
ESP Holdings, Inc., Cumulative Preferred 15% (2), (3), (5)	20,297	\$ 2,249,930	\$ 3,947,862	0.51%
ESP Holdings, Inc., Common Stock (2), (3), (5)	88,670	9,311,782	2,856,346	0.36%
<b>Total Architectural, Engineering, and Related Services</b>		11,561,712	6,804,208	
<b>Business Support Services (0.22%)</b>				
STG-Fairway Holdings, LLC, Class A Units (3), (5)	841,479	1,174,225	1,722,508	0.22%
<b>Communications Equipment Manufacturing (0.64%)</b>				
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units (2), (3), (5)	5,000,000	5,000,000	5,000,000	0.64%
<b>Data Processing, Hosting, and Related Services (0.13%)</b>				
Anacomp, Inc., Class A Common Stock (3), (5), (6)	1,255,527	26,711,048	1,004,422	0.13%
<b>Depository Credit Intermediation (0.11%)</b>				
Doral Financial Corporation, Common Stock (Puerto Rico) (3), (12)	53,890	11,699,417	843,913	0.11%
<b>Financial Investment Activities (0.00%)</b>				
Marsico Holdings, LLC, Common Interest Units (3), (5), (11)	168,698	172,694	4,302	
<b>Full-Service Restaurants (0.00%)</b>				
RM Holdco, LLC, Membership Units (2), (3), (5)	13,161,000	2,010,777		
<b>Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing (0.01%)</b>				
Precision Holdings, LLC, Class C Membership Interests (3), (5)	33		41,645	0.01%
<b>Nonmetallic Mineral Mining and Quarrying (0.20%)</b>				
EPMC HoldCo, LLC, Membership Units (2), (5)	1,312,720		1,562,137	0.20%
<b>Nonscheduled Air Transportation (0.16%)</b>				

Flight Options Holdings I, Inc., Warrants to Purchase Common Stock (3), (5)	1,843	1,274,000	1,268,904	0.16%
---	-------	-----------	-----------	-------

**Radio and Television Broadcasting (0.04%)**

SiTV, Inc., Warrants to Purchase Common Stock (3), (5)	233,470	300,322	354,874	0.04%
--	---------	---------	---------	-------

**Retail (0.07%)**

Shop Holding, LLC, Class A Units (3), (5)	490,037	462,576	532,919	0.07%
Shop Holding, LLC, Warrants to Purchase Class A Units (3), (5)	326,691		38,258	

<b>Total Electronic Shopping</b>		462,576	571,177	
----------------------------------	--	---------	---------	--

**Scheduled Air Transportation (1.19%)**

Equipment Trusts Aircraft Leased to Delta Air Lines, Inc.

N913DL Trust Beneficial Interests (5), (6)	727	97,376	125,970	0.02%
N918DL Trust Beneficial Interests (5), (6)	623	109,938	142,970	0.02%
N954DL Trust Beneficial Interests (5), (6)	591	133,027	68,000	0.01%
N955DL Trust Beneficial Interests (5), (6)	576	133,868	113,560	0.01%
N956DL Trust Beneficial Interests (5), (6)	580	133,907	108,800	0.01%
N957DL Trust Beneficial Interests (5), (6)	576	134,785	109,650	0.01%
N959DL Trust Beneficial Interests (5), (6)	573	135,658	110,500	0.01%
N960DL Trust Beneficial Interests (5), (6)	563	139,173	109,650	0.01%
N961DL Trust Beneficial Interests (5), (6)	570	138,350	103,870	0.01%
N976DL Trust Beneficial Interests (5), (6)	654	113,413	103,033	0.01%

S-F-16

Table of Contents

## TCP Capital Corp.

## Consolidated Statement of Investments (Continued)

December 31, 2013

Showing Percentage of Total Cash and Investments of the Company

Investment	Shares	Cost	Fair Value	Percent of Cash and Investments
<b>Equity Securities (continued)</b>				
Equipment Trusts Aircraft Leased to United Airlines, Inc.				
N510UA Trust Beneficial Interests (2), (5)	54	\$ 197,409	\$ 465,625	0.06%
N512UA Trust Beneficial Interests (2), (5)	53	193,046	458,277	0.06%
N536UA Trust Beneficial Interests (2), (5)	81	396,289	656,766	0.08%
N545UA Trust Beneficial Interests (2), (5)	67	348,071	641,840	0.08%
N585UA Trust Beneficial Interests (2), (5)	53	214,737	571,706	0.07%
United N659UA-767, LLC (N659UA) (5), (6)	412	2,097,640	2,840,323	0.36%
United N661UA-767, LLC (N661UA) (5), (6)	400	2,066,062	2,852,677	0.36%
<b>Total Scheduled Air Transportation</b>		6,782,749	9,583,217	
<b>Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing (0.08%)</b>				
KAGY Holding Company, Inc., Series A Preferred Stock (2), (3), (5)	9,778	1,091,200	662,134	0.08%
<b>Semiconductor and Other Electronic Component Manufacturing (0.03%)</b>				
AIP/IS Holdings, LLC, Membership Units (3), (5)	352		229,504	0.03%
<b>Software Publishers (0.07%)</b>				
SLS Breeze Intermediate Holdings, Inc., Warrants to Purchase Common Stock (3), (5)	1,232,731	522,678	561,632	0.07%
<b>Wired Telecommunications Carriers (1.22%)</b>				
Integra Telecom, Inc., Common Stock (3), (5)	1,274,522	8,433,884	5,583,686	0.72%
Integra Telecom, Inc., Warrants (3), (5)	346,939	19,920	194,050	0.02%
V Telecom Investment S.C.A, Common Shares (Luxembourg) (3), (4), (5), (10)	1,393	3,236,256	3,756,053	0.48%
<b>Total Wired Telecommunications Carriers</b>		11,690,060	9,533,789	
<b>Total Equity Securities</b>		80,453,458	39,748,366	
<b>Total Investments</b>		801,104,779	766,262,959	

**Cash and Cash Equivalents (2.91%)**

Wells Fargo & Company, Overnight Repurchase Agreement, 0.09%, Collateralized by Freddie Mac Note	\$ 10,501,688	1.33%
Union Bank of California, Commercial Paper, 0.10%, due 1/2/14	8,499,976	1.07%
Cash Denominated in Foreign Currencies	121,389	0.02%
Cash Held on Account at Various Institutions	3,861,129	0.49%

<b>Cash and Cash Equivalents</b>	<b>22,984,182</b>
----------------------------------	-------------------

<b>Total Cash and Investments (9)</b>	<b>\$ 789,247,141</b>	<b>100.00%</b>
---------------------------------------	-----------------------	----------------

---

*Notes to Statement of Investments:*

- (1) Investments in bank debt generally are bought and sold among institutional investors in transactions not subject to registration under the Securities Act of 1933. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.
- (2) Non-controlled affiliate as defined under the Investment Company Act of 1940 (ownership of between 5% and 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.
- (3) Non-income producing security.
- (4) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. (See Note 2)
- (5) Restricted security. (See Note 2)

Table of Contents

**TCP Capital Corp.**

**Consolidated Statement of Investments (Continued)**

**December 31, 2013**

**Showing Percentage of Total Cash and Investments of the Company**

- (6) Controlled issuer as defined under the Investment Company Act of 1940 (ownership of 25% or more of the 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.
- (7) Investment has been segregated to collateralize certain unfunded commitments.
- (8) \$2,000,000 principal amount of this investment has been segregated to collateralize certain unfunded commitments.
- (9) All cash and investments, except those referenced in Notes 7 and 8 above, are pledged as collateral under the Revolving Facilities as described in Note 4 to the Consolidated Financial Statements.
- (10) Non-U.S. company or principal place of business outside the U.S. and as a result 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.
- (11) Excepted from the definition of investment company under Section 3(c) of the Investment Company Act and as a result 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.
- (12) Publicly traded company with a market capitalization greater than \$250 million and as a result 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.
- (13) Negative balances relate to an unfunded commitment that was acquired and valued at a discount.

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$471,087,319, and \$235,641,665, respectively for the year ended December 31, 2013. 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, 2013 was \$765,419,046, or 97.0% of total cash and investments of the Company.

Options and Swaps at December 31, 2013 were as follows:

<b>Investment</b>	<b>Notional Amount</b>	<b>Fair Value</b>
Interest Rate Cap, 4%, expires 5/15/2016	\$ 25,000,000	\$ 14,139
Euro/US Dollar Cross-Currency Basis Swap, Pay Euros/Receive USD, Expires 3/31/17	\$ 4,289,019	\$ (331,183)

*See accompanying notes.*

S-F-18

---

Table of Contents**TCP Capital Corp.****Consolidated Statements of Operations**

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Investment income</b>		
Interest income:		
Companies less than 5% owned	\$ 18,140,743	\$ 15,240,367
Companies 5% to 25% owned	1,336,864	893,512
Companies more than 25% owned	257,627	330,317
Dividend income:		
Companies 5% to 25% owned	1,968,748	
Other income:		
Companies less than 5% owned	634,733	157,533
Companies 5% to 25% owned	121,039	101,103
Companies more than 25% owned	208,890	142,911
Total investment income	22,668,644	16,865,743
<b>Operating expenses</b>		
Management and advisory fees	2,886,208	1,964,738
Interest expense	456,861	136,407
Amortization of deferred debt issuance costs	372,755	108,564
Administrative expenses	256,806	167,808
Legal fees, professional fees and due diligence expenses	204,156	139,052
Commitment fees	191,199	22,589
Director fees	85,712	71,809
Insurance expense	53,900	36,273
Custody fees	50,807	29,419
Other operating expenses	319,586	192,971
Total operating expenses	4,877,990	2,869,630
<b>Net investment income</b>	17,790,654	13,996,113
<b>Net realized and unrealized gain (loss) on investments and foreign currency</b>		
Net realized gain (loss):		
Investments in companies less than 5% owned	(6,795,721)	517,658
Investments in companies 5% to 25% owned	375	
Net realized gain (loss)	(6,795,346)	517,658
Net change in net unrealized appreciation/depreciation	11,975,364	1,837,731
Net realized and unrealized gain	5,180,018	2,355,389

Edgar Filing: TCP Capital Corp. - Form 497

Dividends on Series A preferred equity facility	(369,135)	(393,413)
Net change in accumulated dividends on Series A preferred equity facility	10,495	16,011
Distributions of incentive allocation to the General Partner from:		
Net investment income	(3,486,403)	(2,723,742)
Net change in reserve for incentive allocation	(1,036,004)	(471,078)

**Net increase in net assets applicable to common shareholders resulting from operations**      \$    18,089,625    \$    12,779,280

**Basic and diluted earnings per common share**      \$            0.50    \$            0.60

**Basic and diluted weighted average common shares outstanding**      36,199,917      21,477,628

*See accompanying notes.*

S-F-19

---



Table of Contents

## TCP Capital Corp.

## Consolidated Statements of Changes in Net Assets

	Common Stock		Paid in	Accumulated	Accumulated	Accumulated	Non-	Total
	Shares	Par Amount	Capital in Excess of Par	Net Investment Income	Net Realized Losses	Net Unrealized Depreciation	controlling Interest	Net Assets
Balance at December 31, 2012	21,477,628	\$ 21,478	\$ 444,234,060	\$ 22,526,179	\$ (59,023,861)	\$ (91,770,306)		\$ 315,987,550
Issuance of common stock in public offering	14,720,000	14,720	224,548,170					224,562,890
Issuance of common stock from dividend reinvestment plan	2,288	2	37,414					37,416
Net investment income				54,330,262				54,330,262
Realized and unrealized gains (losses)					(47,384,746)	56,456,107		9,071,361
Dividends on Series A preferred equity facility				(1,494,552)				(1,494,552)
General Partner incentive allocation				(10,567,142)	(645,691)		(1,168,583)	(12,381,416)
Dividends paid to common shareholders				(40,502,256)				(40,502,256)
Tax reclassification of stockholders' equity in accordance with generally accepted			(977,624)	(276,396)	1,254,020			

accounting  
principles

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)	\$ 549,611,255
------------------------------------	---------------	-----------	----------------	---------------	------------------	-----------------	----------------	----------------

Issuance of  
common stock  
in public  
offering

Issuance of common stock from dividend reinvestment plan	104		1,717					1,717
--	-----	--	-------	--	--	--	--	-------

Net investment income				17,790,654				17,790,654
--------------------------	--	--	--	------------	--	--	--	------------

Realized and unrealized gains (losses)					(6,795,346)	11,975,364		5,180,018
--	--	--	--	--	-------------	------------	--	-----------

Dividends on Series A preferred equity facility				(358,640)				(358,640)
--	--	--	--	-----------	--	--	--	-----------

General Partner incentive allocation				(3,486,403)			(1,036,004)	(4,522,407)
--	--	--	--	-------------	--	--	-------------	-------------

Dividends paid to common shareholders				(13,031,970)				(13,031,970)
---	--	--	--	--------------	--	--	--	--------------

Balance at March 31, 2014	\$ 36,200,020	\$ 36,200	\$ 667,843,737	\$ 24,929,736	\$ (112,595,624)	\$ (23,338,835)	\$ (2,204,587)	\$ 554,670,627
------------------------------	---------------	-----------	----------------	---------------	------------------	-----------------	----------------	----------------

See accompanying notes.

Table of Contents**TCP Capital Corp.****Consolidated Statements of Cash Flows**

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>		
Net increase in net assets applicable to common shareholders resulting from operations	\$ 18,089,625	\$ 12,779,280
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash (used in) provided by operating activities:		
Net realized loss (gain)	6,795,346	(517,658)
Net change in unrealized appreciation/depreciation of investments	(11,974,865)	(1,880,949)
Dividends paid on Series A preferred equity facility	369,135	393,413
Net change in accumulated dividends on Series A preferred equity facility	(10,495)	(16,011)
Net change in reserve for incentive allocation	1,036,004	471,078
Accretion of original issue discount	(551,826)	(825,555)
Net accretion of market discount/premium	(178,840)	(81)
Interest and dividend income paid in kind	(1,084,557)	(253,156)
Amortization of deferred debt issuance costs	372,755	108,564
Changes in assets and liabilities:		
Purchases of investment securities	(109,301,941)	(40,010,595)
Proceeds from sales, maturities and paydowns of investments	66,876,929	51,006,153
Increase in accrued interest income companies less than 5% owned	(1,997,625)	(2,546,216)
Increase in accrued interest income companies 5% to 25% owned	(264,538)	(4,073)
Decrease in accrued interest income companies more than 25% owned	3,172	2,835
Decrease in receivable for investments sold	2,574,247	7,727,415
Increase in prepaid expenses and other assets	(430,355)	(433,296)
Decrease in payable for investments purchased	(13,192,340)	(21,657,527)
Decrease in payable to the Investment Manager	(657,479)	(3,651)
Increase (decrease) in interest payable	(98,929)	31,937
Increase in incentive allocation payable	167,503	2,723,742
Decrease in accrued expenses and other liabilities	(220,304)	(986,661)
Net cash (used in) provided by operating activities	(43,679,378)	6,108,988
<b>Financing activities</b>		
Proceeds from draws on credit facilities	114,000,000	6,000,000
Principal repayments on credit facilities	(52,000,000)	(10,000,000)
Payments of debt issuance costs	(763,980)	
Dividends paid on Series A preferred equity facility	(369,135)	(393,413)
Dividends paid to common shareholders	(13,031,970)	(8,591,051)
Proceeds from shares issued in connection with dividend reinvestment plan	1,717	17,615

Net cash provided by (used in) financing activities	47,836,632	(12,966,849)
Net increase (decrease) in cash and cash equivalents	4,157,254	(6,857,861)
Cash and cash equivalents at beginning of period	22,984,182	18,035,189
Cash and cash equivalents at end of period	\$ 27,141,436	\$ 11,177,328

**Supplemental cash flow information**

Interest payments	\$ 235,336	\$ 104,470
Excise tax payments		969,946

*See accompanying notes.*

S-F-21

---

Table of Contents

**TCP Capital Corp.**

**Notes to Consolidated Financial Statements (Unaudited)**

**March 31, 2014**

**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, 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.

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 Investment Manager and the Board of Directors. Partnership management consists of the General Partner and the Board of Directors. The Investment Manager 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 Investment Manager. Each Board of Directors consists of five persons, three of whom are independent. If the Company or the Partnership has preferred equity interests outstanding, as the Partnership currently does, the holders of the preferred

Table of Contents

**TCP Capital Corp.**

**Notes to Consolidated Financial Statements (Unaudited)**

**March 31, 2014**

**1. Organization and Nature of Operations (continued)**

interests voting separately as a class are entitled to elect two of the Directors. The remaining directors will be subject to election by holders of the common shares and preferred interests voting together as a single class.

**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 following is a summary of the significant accounting policies of the Company and the Partnership.

***Use of Estimates***

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. 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 based upon the principles and methods of valuation set forth in policies adopted by the Partnership's Board of Directors and in conformity with procedures set forth in the Revolving Facilities and the statement of preferences for the Preferred Interests, as defined in Note 4, below. 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 Investment Manager 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 valued using affirmative valuations performed by independent valuation services or, for investments aggregating less than 5% of the total capitalization of the Partnership, directly by the Investment Manager.

Fair valuations of investments are determined under guidelines adopted by the Boards of Directors of the Company and the Partnership, and are subject to their approval. Generally, to increase objectivity in valuing the investments, the Investment Manager will utilize external

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

measures of value, such as public markets or third-party transactions, whenever possible. The Investment Manager'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 Investment Manager 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, M&A comparables, our principal market and enterprise values, among other factors.

Unobservable inputs used in the fair value measurement of Level 3 investments as of March 31, 2014 included the following:

<b>Asset Type</b>	<b>Fair Value</b>	<b>Valuation Technique</b>	<b>Unobservable Input</b>	<b>Range (Weighted Avg.)</b>
Bank Debt	\$ 317,003,161	Market rate approach	Market yields	3.8% - 16.5%
			Indicative bid/ask	(10.9%)
	238,578,988	Market quotations Market comparable companies	quotes	1 - 3 (2)
	15,792,158		Revenue multiples	0.4x (0.4x)
2,056,927	Market comparable companies	EBITDA multiples	7.8x (7.8x)	
Other Corporate Debt	71,494	Market rate approach	Market yields	16.3% (16.3%)
			Indicative bid/ask	
	54,707,520	Market quotations Market comparable companies	quotes	1 - 2 (1)
	16,828,346		EBITDA multiples	7.8x - 10.0x (8.8x)
Equity	9,527,486	Market rate approach	Market yields	13.0% - 18.0%
			Indicative bid/ask	(13.6%)
	3,587,881	Market quotations Market comparable companies	quotes	1 - 1 (1)
	891,424		Revenue multiples	0.4x - 1.1x (1.1x)
18,441,260			4.0x - 6.6x (5.8x)	

Market comparable  
companies

EBITDA  
multiples

S-F-24

---



Table of Contents

## TCP Capital Corp.

## Notes to Consolidated Financial Statements (Unaudited)

March 31, 2014

## 2. Summary of Significant Accounting Policies (continued)

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

<b>Input</b>	<b>Impact to Value if Input Increases</b>	<b>Impact to Value if Input Decreases</b>
Market yields	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease

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.

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

<b>Level</b>	<b>Basis for Determining Fair Value</b>	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
1	Quoted prices in active markets for identical assets	\$	\$	\$ 467,763
2	Other observable market inputs *	70,146,046	67,557,294	
3	Independent third-party pricing sources that employ significant unobservable inputs	573,872,294	64,047,014	29,595,404
3	Investment Manager valuations with significant unobservable inputs	(441,060)	7,560,346	2,852,647
<b>Total</b>		\$ 643,577,280	\$ 139,164,654	\$ 32,915,814

\*

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

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

Changes in investments categorized as Level 3 during the three months ended March 31, 2014 were as follows:

	<b>Independent Third-Party Valuation</b>		
	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
Beginning balance	\$ 515,953,643	\$ 53,334,634	\$ 36,066,746
Net realized and unrealized gains (losses)	4,633,345	833,673	(1,034,764)
Acquisitions	98,772,793	13,080,946	894,302
Dispositions	(30,758,320)	(14,077,239)	(6,330,880)
Transfers out of Level 3 *	(14,729,167)		
Transfers into Level 3		10,875,000	
<b>Ending balance</b>	<b>\$ 573,872,294</b>	<b>\$ 64,047,014</b>	<b>\$ 29,595,404</b>
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)	\$ 5,296,423	\$ 862,015	\$ 325,048

\*

Comprised of one investment that transferred to Level 2 due to increased observable market activity.

Comprised of one investment that transferred from Level 2 due to reduced trading volumes.

	<b>Investment Manager Valuation</b>		
	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
Beginning balance	\$ 4,060,800	\$ 7,631,335	\$ 2,837,707
Net realized and unrealized gains (losses)	(1,860)	(70,989)	(188,519)
Acquisitions			230,938
Dispositions	(4,500,000)		(27,479)
<b>Ending balance</b>	<b>\$ (441,060)</b>	<b>\$ 7,560,346</b>	<b>\$ 2,852,647</b>
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)	\$ (1,860)	\$ (70,989)	\$ (215,999)

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

Edgar Filing: TCP Capital Corp. - Form 497

There were no transfers between Level 1 and 2 during the three months ended March 31, 2014.

S-F-26

---

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

At March 31, 2013, the Company's investments were categorized as follows:

<b>Level</b>	<b>Basis for Determining Fair Value</b>	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
1	Quoted prices in active markets for identical assets	\$	\$	\$ 759,522
2	Other observable market inputs *	111,560,238	61,901,366	
3	Independent third-party pricing sources that employ significant unobservable inputs	275,074,150	17,509,840	34,225,001
3	Investment Manager valuations with significant unobservable inputs		7,552,970	1,411,858
<b>Total</b>		<b>\$ 386,634,388</b>	<b>\$ 86,964,176</b>	<b>\$ 36,396,381</b>

\*

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

Changes in investments categorized as Level 3 during the three months ended March 31, 2013 were as follows:

	<b>Independent Third-Party Valuation</b>		
	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
Beginning balance	\$ 359,343,326	\$ 17,171,637	\$ 32,675,370
Net realized and unrealized gains (losses)	(2,705,665)	332,962	1,418,164
Acquisitions	15,489,607	5,241	778,020
Dispositions	(38,401,835)		(646,553)
Transfers out of Level 3	(58,651,283)		
Ending balance	\$ 275,074,150	\$ 17,509,840	\$ 34,225,001
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)	\$ (1,074,858)	\$ 332,962	\$ 1,418,164

Comprised of eight investments that transferred to Level 2 due to increased observable market activity.

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

	<b>Investment Manager Valuation</b>		
	<b>Bank Debt</b>	<b>Other Corporate Debt</b>	<b>Equity Securities</b>
Beginning balance	\$	\$ 7,167,458	\$ 1,424,764
Net realized and unrealized gains (losses)		350,718	(12,906)
Acquisitions		34,794	
Ending balance	\$	\$ 7,552,970	\$ 1,411,858
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)	\$	\$ 350,718	\$ (12,906)

There were no transfers between Level 1 and 2 during the three months ended March 31, 2013.

***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 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 three months or less.

***Repurchase Agreements***

In connection with transactions in repurchase agreements, it is the Company's policy that the custodian take possession of the underlying collateral, the fair value of which is required to exceed the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral may be delayed or limited.

***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

Table of Contents

**TCP Capital Corp.**

**Notes to Consolidated Financial Statements (Unaudited)**

**March 31, 2014**

**2. Summary of Significant Accounting Policies (continued)**

regarding restricted investments is included at the end of the Consolidated Statement of Investments. Restricted investments, including any restricted investments in affiliates, are valued in accordance with the investment valuation policies discussed above.

***Foreign Investments***

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 2.7% and 2.7% of total investments at March 31, 2014 and December 31, 2013, respectively. Such positions were converted at the respective closing rate in effect at March 31, 2014 and December 31, 2013 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 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 recognized as either assets or liabilities in the Consolidated Statement 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 did not enter into any new derivative transactions during the three months ended March 31, 2014. At March 31, 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 \$4,289,019. Gains and losses from derivatives during the three months ended

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

March 31, 2014 were included in net realized and unrealized loss on investments in the Consolidated Statement of Operations as follows:

<b>Instrument</b>	<b>Realized Gains (Losses)</b>	<b>Unrealized Gains (Losses)</b>
Cross currency basis swaps	\$	\$ 30,499
Interest rate cap	\$	\$ (5,534)

The Partnership did not enter into any new derivative transactions during the three months ended March 31, 2013. At March 31, 2013, the Partnership held a cross currency basis swap with a notional amount of \$6,040,944. Gains and losses from derivatives during the three months ended March 31, 2013 were included in net realized and unrealized loss on investments in the Consolidated Statement of Operations as follows:

<b>Instrument</b>	<b>Realized Gains (Losses)</b>	<b>Unrealized Gains (Losses)</b>
Cross currency basis swaps	\$	\$ 169,983

Valuations of derivatives held at March 31, 2014 and March 31, 2013 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 \$3.5 million were incurred during 2006 in connection with placing the Partnership's revolving credit facility (see Note 4). Additional costs of approximately \$1.5 million were incurred during 2013 in connection with the extension of the facility. These costs were deferred and are being amortized on a straight-line basis over the estimated remaining life of the facility. 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.

Costs of approximately \$1.6 million were incurred during 2013 in connection with placing TCPC Funding's revolving credit facility (see Note 4). Additional costs of approximately \$0.8 million were incurred in 2014 in connection with the extension of the facility. These costs were deferred and are being amortized on a straight-line basis over three years, the estimated life of that facility. 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. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals,

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****2. Summary of Significant Accounting Policies (continued)**

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 debt investments are purchased at a considerable 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 the collectability of interest to be considered when making accruals. Accordingly, when accounting for purchase discounts, discount accretion income is recognized when it is probable that such amounts will be collected, generally at disposition. 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.

***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 March 31, 2014, all tax years of the Company, the Partnership, TCPC Funding and the SBIC since January 1, 2010 remain subject to examination by federal tax authorities. No such examinations are currently pending.

During the three months ended March 31, 2014, the Company did not pay any excise taxes. During the three months ended March 31, 2013 the Company paid \$969,946 in excise taxes related to income earned in 2012.

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

Unrealized appreciation	\$	34,662,507
Unrealized depreciation		(57,898,261)

Net unrealized depreciation		(23,235,754)
-----------------------------	--	--------------

Cost	\$	838,601,423
------	----	-------------

S-F-31



Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****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 Investment Manager 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. At March 31, 2014, the General Partner's equity interest in the Partnership was comprised entirely of the reserve amount and is reported as a non-controlling interest in the consolidated financial statements of the Company.

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**

At March 31, 2014 and December 31, 2013, leverage was comprised of amounts outstanding under senior secured revolving credit facilities issued by the Partnership (the "Partnership Facility") and TCPC Funding (the "TCPC Funding Facility," and, together with the Partnership Facility, the "Revolving Facilities") as well as amounts outstanding under a preferred leverage facility issued by the Partnership (the "Preferred Interests"), as follows:

	<b>March 31, 2014</b>	<b>December 31, 2013</b>
Partnership Facility	\$ 82,000,000	\$ 45,000,000
TCPC Funding Facility	75,000,000	50,000,000
<b>Total Debt</b>	<b>\$ 157,000,000</b>	<b>\$ 95,000,000</b>
Preferred Interests	134,000,000	134,000,000
<b>Total Leverage</b>	<b>\$ 291,000,000</b>	<b>\$ 229,000,000</b>

The combined weighted-average interest and dividend rates on total amounts outstanding under the leverage facilities at March 31, 2014 and December 31, 2013 were 1.35% and 1.38%, respectively.

Table of Contents

**TCP Capital Corp.**

**Notes to Consolidated Financial Statements (Unaudited)**

**March 31, 2014**

**4. Leverage (continued)**

Amounts outstanding under the Revolving Facilities are carried at cost in the Statement of Assets and Liabilities. As of March 31, 2014, the estimated fair value of the TCPC Funding Facility approximated its carrying value, and the Partnership Facility had an estimated fair value of \$81,286,654. The estimated fair values of the Revolving Facilities are determined by discounting projected remaining payments using market interest rates for our borrowings and entities with similar credit risks at the measurement date. At March 31, 2014, the Revolving Facilities would be deemed to be Level 3 in the GAAP valuation hierarchy.

***Partnership Facility***

The Partnership Facility provides for amounts to be drawn up to \$116 million, subject to certain collateral and other restrictions. The Partnership Facility matures on July 31, 2016. 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.

Advances under the Partnership Facility through July 31, 2014 bear 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 the maturity date of the facility will bear 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). In addition to amounts due on outstanding debt, the 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 March 31, 2014, the Partnership was in full compliance with such covenants.

***TCPC Funding Facility***

The TCPC Funding Facility, issued on May 15, 2013, provides for amounts to be drawn up to \$150 million, subject to certain collateral and other restrictions. The TCPC Funding Facility matures on May 15, 2017, 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 up to \$200 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.

As of March 31, 2014, borrowings under the TCPC Funding Facility bore interest at a rate of LIBOR plus 2.50% per annum. In connection with the extension and expansion of the facility on February 21, 2014, the interest rate was reduced to a rate of LIBOR plus 2.50% effective March 15, 2014. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.75% per annum on the unused portion of the facility, or 1.00% per annum when the unused portion is greater than 33% of the total facility. 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 March 31, 2014, TCPC Funding was in full compliance with such covenants.

Table of Contents

**TCP Capital Corp.**

**Notes to Consolidated Financial Statements (Unaudited)**

**March 31, 2014**

**4. Leverage (continued)**

***Preferred Equity***

At March 31, 2014, the Preferred Interests were comprised of 6,700 Series A preferred limited partner interests issued and outstanding with a liquidation preference of \$20,000 per interest. The Preferred Interests accrue dividends at an annual rate equal to 0.85% plus either LIBOR or the interestholder's cost of funds (subject to a cap of LIBOR plus 20 basis points). The Preferred Interests are redeemable at the option of the Partnership, subject to certain conditions. Additionally, under certain conditions, the Partnership may be required to either redeem certain of the Preferred Interests or repay indebtedness, at the Partnership's option. Such conditions would include a failure by the Partnership to maintain adequate collateral as required by its credit facility agreement or by the Statement of Preferences of the Preferred Interests or a failure by the Partnership to maintain sufficient asset coverage as required by the 1940 Act. As of March 31, 2014, the Partnership was in full compliance with such requirements.

**5. Commitments, 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, the Partnership, TCPC Funding and the SBIC 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.

The Consolidated Statement of Investments includes certain revolving loan facilities and other loan commitments held by the Partnership with aggregate unfunded balances of \$36,361,742 at March 31, 2014. The Company has also provided a \$20,861,473 guarantee on a bridge facility, which the Company believes is unlikely to be funded.

**6. Related Parties**

The Company, the Partnership, TCPC Funding, the SBIC, the Investment Manager, 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. At March 31, 2014, no such amounts were outstanding. From time to time, the Investment Manager advances payments to third parties on behalf of the Company and the Partnership and

Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****6. Related Parties (continued)**

receives reimbursement from the Company and the Partnership. At March 31, 2014, amounts reimbursable to the Investment Manager totaled \$463,629, as reflected in the Consolidated Statement 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 three months ended March 31, 2014, expenses allocated pursuant to the Administration Agreements totaled \$256,806. The Administrator waived reimbursement of all administrative expenses prior to January 1, 2013.

**7. Stockholders' Equity and Dividends**

The following table summarizes the total shares issued in connection with the Company's dividend reinvestment plan for the three months ended March 31, 2014.

	<b>Shares Issued</b>	<b>Price Per Share</b>	<b>Net Proceeds</b>
Shares issued from dividend reinvestment plan	104	\$ 16.55	\$ 1,717

**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 year ended December 31, 2013.

	<b>Shares Issued</b>	<b>Price Per Share</b>	<b>Net Proceeds</b>
May 21, 2013 public offering	5,175,000	\$ 15.63	\$ 78,176,790
October 1, 2013 public offering	4,370,000	\$ 15.76	\$ 66,473,600
December 18, 2013 public offering	5,175,000	\$ 16.00	\$ 79,912,500
Shares issued from dividend reinvestment plan	2,288	\$ 16.35	\$ 37,416

The Company's dividends are recorded on the ex-dividend date. The following table summarizes the Company's dividends declared for the three months ended March 31, 2014:

<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount Per Share</b>	<b>Total Amount</b>
March 6, 2014	March 17, 2014	March 31, 2014	\$ 0.36	\$ 13,031,970

\$ 13,031,970



Table of Contents**TCP Capital Corp.****Notes to Consolidated Financial Statements (Unaudited)****March 31, 2014****7. Stockholders' Equity and Dividends (continued)**

The following table summarizes the Company's dividends declared for the three months ended March 31, 2013:

<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount Per Share</b>	<b>Total Amount</b>
March 7, 2013	March 18, 2013	March 29, 2013	\$ 0.40*	\$ 8,591,051
				\$ 8,591,051

\*

Includes a special dividend of \$0.05.

**8. Earnings Per Share**

The following information sets forth the computation of the net increase in net assets per share resulting from operations for the three months ended March 31, 2014 and March 31, 2013:

	<b>Three Months Ended March 31, 2014</b>	<b>Three Months Ended March 31, 2013</b>
Net increase in net assets applicable to common shareholders resulting from operations	\$ 18,089,625	\$ 12,779,280
Weighted average shares outstanding	36,199,917	21,477,628
Earnings per share	\$ 0.50	\$ 0.60

**9. Subsequent Events**

On April 22, 2014, the SBIC received a license from 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.

On May 8, 2014, the Company's board of directors declared a regular second quarter cash dividend of \$0.36 per share and a \$0.05 per share special dividend. Both dividends are payable on June 30, 2014 to stockholders of record as of the close of business on June 18, 2014.

S-F-36

Table of Contents

## TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)  
March 31, 2014

## 10. Financial Highlights

	<b>Three Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2014</b>	<b>2013</b>
<b>Per Common Share</b>		
Per share NAV at beginning of period (1)	\$ 15.18	\$ 14.71
Investment operations:		
Net investment income	0.49	0.65
Net realized and unrealized gain	0.14	0.11
Dividends on Series A preferred equity facility	(0.01)	(0.01)
Incentive allocation reserve and distributions	(0.12)	(0.15)
Total from investment operations	0.50	0.60
Distributions to common shareholders from:		
Net investment income	(0.36)	(0.40)
Per share NAV at end of period	\$ 15.32	\$ 14.91
Per share market price at end of period	\$ 16.55	\$ 15.96
Total return based on market value (1), (2)	0.8%	11.0%
Total return based on net asset value (1), (2)	3.3%	4.1%
Shares outstanding at end of period	36,200,020	21,478,732

	<b>Three Months Ended</b>	
	<b>2014</b>	<b>2013</b>
<b>Ratios to average common equity: (4), (5)</b>		
Net investment income (6)	12.4%	16.8%
Expenses	3.6%	3.6%
Expenses and incentive allocation (7)	4.2%	4.4%
Ending common shareholder equity	\$ 554,670,627	\$ 320,635,079
Portfolio turnover rate	8.7%	7.8%
Weighted-average debt outstanding	\$ 98,266,667	\$ 73,355,556
Weighted-average interest rate on debt	1.9%	0.8%
Weighted-average number of common shares	36,199,917	21,477,640
Average debt per share	\$ 2.71	\$ 3.42

- (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.

S-F-37

---



Table of Contents**TCP Capital Corp.****Consolidated Schedule of Changes in Investments in Affiliates (1)  
Three Months Ended March 31, 2014**

<b>Security</b>	<b>Acquisitions</b>	<b>Dispositions (2)</b>	<b>Dividends or Interest (3)</b>
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	\$	\$	\$ 316,578
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16			
Anacomp, Inc., Class A Common Stock			
EPMC HoldCo, LLC, Membership Units			
ESP Holdings, Inc., Cumulative Preferred 15%		(2,489,100)	1,968,748
ESP Holdings, Inc., Common Stock		(2,955,297)	289,315
ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 6%			
Cash + 10% PIK, due 12/31/19		(7,959,369)	205,175
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18		(37,500)	332,896
KAGY Holding Company, Inc., Series A Preferred Stock			
N510UA Aircraft Secured Mortgage, 20%, due 10/26/16		(23,046)	15,999
N512UA Aircraft Secured Mortgage, 20%, due 10/26/16		(22,551)	16,292
N536UA Aircraft Secured Mortgage, 16%, due 9/29/14		(39,471)	3,551
N545UA Aircraft Secured Mortgage, 16%, due 8/29/15		(35,371)	9,269
N585UA Aircraft Secured Mortgage, 20%, due 10/25/16		(26,478)	19,115
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16		(269,027)	78,303
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16		(260,901)	81,466
N510UA Equipment Trust Beneficial Interests	23,046	(8,978)	20,872
N512UA Equipment Trust Beneficial Interests	22,551	(8,831)	20,723
N536UA Equipment Trust Beneficial Interests	39,471	(11,300)	29,930
N545UA Equipment Trust Beneficial Interests	35,371	(11,884)	26,412
N585UA Equipment Trust Beneficial Interests	26,478	(11,694)	23,102
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17		(20,362)	5,573
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18		(18,025)	7,576
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19		(20,708)	10,099
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19		(19,920)	10,485
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19		(20,251)	10,462
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19		(20,094)	10,576
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19		(19,938)	10,690
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19		(19,644)	11,119
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19		(20,119)	10,986
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18		(20,924)	7,674
N913DL Equipment Trust Beneficial Interests	20,362	(23,508)	3,996
N918DL Equipment Trust Beneficial Interests	18,025	(22,334)	3,175
N954DL Equipment Trust Beneficial Interests	20,708	(26,938)	2,896
N955DL Equipment Trust Beneficial Interests	19,920	(26,609)	2,687
N956DL Equipment Trust Beneficial Interests	20,251	(35,968)	(6,301)
N957DL Equipment Trust Beneficial Interests	20,094	(26,864)	2,634
N959DL Equipment Trust Beneficial Interests	19,938	(26,754)	2,579
N960DL Equipment Trust Beneficial Interests	19,644	(26,669)	2,366
N961DL Equipment Trust Beneficial Interests	20,119	(27,137)	2,424

S-F-38

Table of Contents**TCP Capital Corp.****Consolidated Schedule of Changes in Investments in Affiliates (1)  
Three Months Ended March 31, 2014**

<b>Security</b>	<b>Acquisitions</b>	<b>Dispositions (2)</b>	<b>Dividends or Interest (3)</b>
N976DL Equipment Trust Beneficial Interests	20,924	(25,640)	2,776
RM Holdco, LLC, Membership Units			14,461
RM Holdco, LLC, Subordinated Convertible Term Loan, 1.12% PIK, due 3/21/18			14,461
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 11%, due 3/19/16	68,263	(47,493)	100,987
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B, 12% Cash + 7% PIK, due 3/19/16	262,284		332,454
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/19/16	85,754		108,422
RM OpCo, LLC, Convertible 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16	54,984		69,456
United N659UA-767, LLC (N659UA)	269,027	(168,678)	92,624
United N661UA-767, LLC (N661UA)	260,901	(165,758)	97,034
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units			

*Notes to 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) Dispositions include sales, paydowns, mortgage amortizations, and aircraft depreciation.
- (3) Also includes fee and lease income as applicable.

Table of Contents**TCP Capital Corp.****Consolidated Schedule of Changes in Investments in Affiliates (1)****Three Months Ended March 31, 2014**

<b>Security</b>	<b>Acquisitions</b>	<b>Dispositions (2)</b>	<b>Dividends or Interest (3)</b>
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	\$ 2,056,927	\$	\$ 128,215
AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16	7,586,317		640,007
Anacomp, Inc., Class A Common Stock			
EPMC HoldCo, LLC, Membership Units		(1,481,930)	
ESP Holdings, Inc., Cumulative Preferred 15%			
ESP Holdings, Inc., Common Stock			32,627
ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 6% Cash + 10% PIK, due 12/31/19	749,529		1,199,575
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	14,850,000		83,281
International Wire Group Holdings, Inc., Senior Secured Notes, 8.5%, due 10/15/17		(15,759,750)	443,715
KAGY Holding Company, Inc., Series A Preferred Stock	8,096,057	(1,644)	
N510UA Aircraft Secured Mortgage, 20%, due 10/26/16		(81,562)	74,646
N512UA Aircraft Secured Mortgage, 20%, due 10/26/16		(79,808)	75,593
N536UA Aircraft Secured Mortgage, 16%, due 9/29/14		(143,097)	29,100
N545UA Aircraft Secured Mortgage, 16%, due 8/29/15		(128,230)	50,422
N585UA Aircraft Secured Mortgage, 20%, due 10/25/16		(93,707)	88,705
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16		(999,280)	390,117
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16		(969,098)	401,041
N510UA Equipment Trust Beneficial Interests	81,562	(35,912)	72,866
N512UA Equipment Trust Beneficial Interests	79,808	(35,323)	72,497
N536UA Equipment Trust Beneficial Interests	143,097	(45,201)	104,929
N545UA Equipment Trust Beneficial Interests	128,359	(47,536)	92,525
N585UA Equipment Trust Beneficial Interests	93,707	(46,776)	80,203
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17		(77,509)	26,248
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18		(68,612)	33,806
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19		(78,825)	44,415
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19		(75,824)	45,803
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19		(77,085)	45,775
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19		(76,487)	46,204
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19		(75,896)	46,629
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19		(74,776)	48,285
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19		(76,582)	47,846
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18		(79,647)	34,759
N913DL Equipment Trust Beneficial Interests	77,509	(94,032)	12,045
N918DL Equipment Trust Beneficial Interests	68,612	(89,338)	9,213
N954DL Equipment Trust Beneficial Interests	78,825	(107,751)	7,578
N955DL Equipment Trust Beneficial Interests	75,824	(106,437)	6,891
N956DL Equipment Trust Beneficial Interests	77,085	(107,904)	6,845
N957DL Equipment Trust Beneficial Interests	76,487	(107,457)	6,648
N959DL Equipment Trust Beneficial Interests	75,896	(107,015)	6,456

S-F-40

Table of Contents**TCP Capital Corp.****Consolidated Schedule of Changes in Investments in Affiliates (1) (Continued)****Three Months Ended March 31, 2014**

<b>Security</b>	<b>Acquisitions</b>	<b>Dispositions (2)</b>	<b>Dividends or Interest (3)</b>
N960DL Equipment Trust Beneficial Interests	74,776	(106,678)	5,662
N961DL Equipment Trust Beneficial Interests	76,582	(108,546)	5,805
N967DL Equipment Trust Beneficial Interests	79,647	(102,560)	7,056
RM Holdco, LLC, Membership Units			
RM Holdco, LLC, Subordinated Convertible Term Loan, 1.12% PIK, due 3/21/18	57,991		57,992
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 11%, due 3/19/16	16,974	(149,183)	413,430
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B, 12% Cash + 7% PIK, due 3/19/16	567,205		1,258,016
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/19/16	186,901		410,004
RM OpCo, LLC, Convertible 1st Lien Term Loan Tranche B-1, 12% Cash + 7% PIK, due 3/21/16	1,339,883		182,711
United N659UA-767, LLC (N659UA)	999,280	(674,714)	316,842
United N661UA-767, LLC (N661UA)	969,098	(663,034)	313,627
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	5,000,000		

*Notes to 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) Dispositions include sales, paydowns, mortgage amortizations, and aircraft depreciation.
- (3) Also includes fee and lease income as applicable.

S-F-41

Table of Contents**TCP Capital Corp.****Consolidated Schedule of Restricted Securities of Unaffiliated Issuers****March 31, 2014**

<b>Investment</b>	<b>Acquisition Date</b>
AIP/IS Holdings, LLC, Membership Units	Var. 2009 & 2010
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
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
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
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
Precision Holdings, LLC, Class C Membership Interests	Var. 2010 & 2011
Shop Holdings, LLC, Convertible Promissory Note, 5%, due 8/5/15	2/5/14
Shop Holding, LLC, Class A Units	6/2/11
Shop Holding, LLC, Warrants to Purchase Class A Units	6/2/11
SiTV, Inc., Warrants to Purchase Common Stock	8/3/12
SLS Breeze Intermediate Holdings, Inc., Warrants to Purchase Common Stock	9/25/13
STG-Fairway Holdings, LLC, Class A Units	12/30/10
The Telx Group, Inc., Senior Unsecured Notes, 10% Cash + 2% PIK, due 9/26/19	9/26/11
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
Vantage Oncology, LLC, Senior Secured Notes, 9.5%, due 6/15/17	6/6/13

**December 31, 2013**

<b>Investment</b>	<b>Acquisition Date</b>
AIP/IS Holdings, LLC, Membership Units	Var. 2009 & 2010
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
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
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
Flight Options Holdings I, Inc., Warrants to Purchase Common Stock	12/4/13
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
Precision Holdings, LLC, Class C Membership Interests	Var. 2010 & 2011
Shop Holding, LLC, Class A Units	6/2/11
Shop Holding, LLC, Warrants to Purchase Class A Units	6/2/11
SiTV, Inc., Warrants to Purchase Common Stock	8/3/12
SLS Breeze Intermediate Holdings, Inc., Warrants to Purchase Common Stock	9/25/13

Edgar Filing: TCP Capital Corp. - Form 497

St Barbara Ltd., 1st Priority Senior Secured Notes, 8.875%, due 4/15/18	3/22/13
STG-Fairway Holdings, LLC, Class A Units	12/30/10
The Telx Group, Inc., Senior Unsecured Notes, 10% Cash + 2% PIK, due 9/26/19	9/26/11
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
Vantage Oncology, LLC, Senior Secured Notes, 9.5%, due 6/15/17	6/6/13

S-F-42

---

Table of Contents**TCP Capital Corp****Consolidating Statement of Assets and Liabilities  
March 31, 2014**

	<b>TCP Capital Corp. Standalone</b>	<b>Special Value Continuation Partners, LP Consolidated</b>	<b>Eliminations</b>	<b>TCP Capital Corp. Consolidated</b>
<b>Assets</b>				
Investments:				
Companies less than 5% owned	\$	\$ 744,016,378	\$	\$ 744,016,378
Companies 5% to 25% owned		53,487,621		53,487,621
Companies more than 25% owned		18,153,749		18,153,749
Investment in subsidiary	555,836,984		(555,836,984)	
<b>Total investments</b>	<b>555,836,984</b>	<b>815,657,748</b>	<b>(555,836,984)</b>	<b>815,657,748</b>
Cash and cash equivalents		27,141,436		27,141,436
Accrued interest income		8,998,096		8,998,096
Deferred debt issuance costs		3,360,310		3,360,310
Receivable for investments sold		1,031,717		1,031,717
Interest rate cap option		8,605		8,605
Receivable from subsidiary	98,697		(98,697)	
Prepaid expenses and other assets	12,545	1,171,578		1,184,123
<b>Total assets</b>	<b>555,948,226</b>	<b>857,369,490</b>	<b>(555,935,681)</b>	<b>857,382,035</b>
<b>Liabilities</b>				
Debt		157,000,000		157,000,000
Incentive allocation payable		3,486,403		3,486,403
Payable for investment securities purchased		1,514,602		1,514,602
Payable to the Investment Manager	319,323	144,306		463,629
Interest payable		332,040		332,040
Unrealized depreciation on swaps		300,684		300,684
Payable to Parent		98,697	(98,697)	
Accrued expenses and other liabilities	958,276	1,957,430		2,915,706
<b>Total liabilities</b>	<b>1,277,599</b>	<b>164,834,162</b>	<b>(98,697)</b>	<b>166,013,064</b>
<b>Preferred equity facility</b>				
Series A preferred limited partner interests		134,000,000		134,000,000
Accumulated dividends on Series A preferred equity facility		493,757		493,757

Edgar Filing: TCP Capital Corp. - Form 497

Total preferred limited partner interests		134,493,757		134,493,757
---	--	-------------	--	-------------

**Non-controlling interest**

General Partner interest in Special Value				2,204,587	2,204,587
Continuation Partners, LP					
<b>Net assets</b>	<b>\$</b>	<b>554,670,627</b>	<b>\$</b>	<b>558,041,571</b>	<b>\$ (558,041,571) \$ 554,670,627</b>

**Composition of net assets**

Common stock	\$	36,200	\$		\$	36,200
Additional paid-in capital		667,843,737		666,530,318		(666,530,318) 667,843,737
Accumulated deficit		(113,209,310)		(108,488,747)		110,693,334 (111,004,723)
Non-controlling interest						(2,204,587) (2,204,587)

Net assets	\$	554,670,627	\$	558,041,571	\$ (558,041,571) \$ 554,670,627
------------	----	-------------	----	-------------	---------------------------------

S-F-43



Table of Contents

<b>TCP Capital Corp</b>				
<b>Consolidating Statement of Assets and Liabilities</b>				
<b>December 31, 2013</b>				
	<b>TCP Capital Corp. Standalone</b>	<b>Special Value Continuation Partners, LP Consolidated</b>	<b>Eliminations</b>	<b>TCP Capital Corp. Consolidated</b>
<b>Assets</b>				
Investments:				
Companies less than 5% owned	\$	\$ 678,326,915	\$	\$ 678,326,915
Companies 5% to 25% owned		69,068,808		69,068,808
Companies more than 25% owned		18,867,236		18,867,236
Investment in subsidiary	551,095,042		(551,095,042)	
<b>Total investments</b>	<b>551,095,042</b>	<b>766,262,959</b>	<b>(551,095,042)</b>	<b>766,262,959</b>
Cash and cash equivalents		22,984,182		22,984,182
Accrued interest income		6,739,105		6,739,105
Receivable for investments sold		3,605,964		3,605,964
Deferred debt issuance costs		2,969,085		2,969,085
Interest rate cap option		14,139		14,139
Receivable from subsidiary	531,717		(531,717)	
Prepaid expenses and other assets	30,493	723,275		753,768
<b>Total assets</b>	<b>551,657,252</b>	<b>803,298,709</b>	<b>(551,626,759)</b>	<b>803,329,202</b>
<b>Liabilities</b>				
Debt		95,000,000		95,000,000
Payable for investment securities purchased		14,706,942		14,706,942
Incentive allocation payable		3,318,900		3,318,900
Payable to the Investment Manager	833,737	287,371		1,121,108
Interest payable		430,969		430,969
Unrealized depreciation on swaps		331,183		331,183
Payable to Parent		531,717	(531,717)	
Accrued expenses and other liabilities	1,212,260	1,923,750		3,136,010
<b>Total liabilities</b>	<b>2,045,997</b>	<b>116,530,832</b>	<b>(531,717)</b>	<b>118,045,112</b>
<b>Preferred equity facility</b>				
Series A preferred limited partner interests		134,000,000		134,000,000
Accumulated dividends on Series A preferred equity facility		504,252		504,252
<b>Total preferred limited partner interests</b>		<b>134,504,252</b>		<b>134,504,252</b>

Edgar Filing: TCP Capital Corp. - Form 497

**Non-controlling interest**

General Partner interest in Special Value					
Continuation Partners, LP			1,168,583		1,168,583

**Net assets** \$ 549,611,255 \$ 552,263,625 \$ (552,263,625) \$ 549,611,255

**Composition of net assets**

Common stock	\$ 36,200	\$	\$	\$ 36,200
Additional paid-in capital	667,842,020	666,530,318	(666,530,318)	667,842,020
Accumulated deficit	(118,266,965)	(114,266,693)	115,435,276	(117,098,382)
Non-controlling interest			(1,168,583)	(1,168,583)

**Net assets** \$ 549,611,255 \$ 552,263,625 \$ (552,263,625) \$ 549,611,255

S-F-44

Table of Contents**TCP Capital Corp.****Consolidating Statement of Operations (Unaudited)  
Three Months Ended March 31, 2014**

	<b>TCP Capital Corp. Standalone</b>	<b>Special Value Continuation Partners, LP Consolidated</b>	<b>Eliminations</b>	<b>TCP Capital Corp. Consolidated</b>
<b>Investment income</b>				
Interest income:				
Companies less than 5% owned	\$	\$ 18,140,743	\$	\$ 18,140,743
Companies 5% to 25% owned		1,336,864		1,336,864
Companies more than 25% owned		257,627		257,627
Dividend income:				
Companies 5% to 25% owned		1,968,748		1,968,748
Other income:				
Companies less than 5% owned		634,733		634,733
Companies 5% to 25% owned		121,039		121,039
Companies more than 25% owned		208,890		208,890