

TCP CAPITAL CORP.

FORM 10-Q (Quarterly Report)

Filed 05/09/17 for the Period Ending 03/31/17

Address	2951 28TH STREET SUITE 1000 SANTA MONICA, CA 90405
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Sector	Financials
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarter Ended March 31, 2017

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

Commission File Number: 814-00899

TCP CAPITAL CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

56-2594706
(IRS Employer Identification No.)

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

90405
(Zip Code)

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

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

Common Stock, par value \$0.001 per share
(Title of each class)

NASDAQ Global Select Market
(Name of each exchange where registered)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer
Emerging growth company

Accelerated filer
Smaller Reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the Registrant's common stock, \$0.001 par value, outstanding as of May 8, 2017 was 58,792,047.

TCP CAPITAL CORP.

FORM 10-Q

FOR THE THREE MONTHS ENDED MARCH 31, 2017

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TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	March 31, 2017 (unaudited)	December 31, 2016
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of \$1,186,962,473 and \$1,174,421,611, respectively)	\$ 1,195,112,846	\$ 1,175,097,468
Companies 5% to 25% owned (cost of \$79,674,112 and \$75,508,585, respectively)	70,471,411	69,355,808
Companies more than 25% owned (cost of \$98,351,702 and \$96,135,623, respectively)	72,925,529	70,516,594
Total investments (cost of \$1,364,988,287 and \$1,346,065,819, respectively)	<u>1,338,509,786</u>	<u>1,314,969,870</u>
Cash and cash equivalents	55,964,496	53,579,868
Accrued interest income:		
Companies less than 5% owned	13,494,055	12,713,025
Companies 5% to 25% owned	1,383,794	953,561
Companies more than 25% owned	18,333	25,608
Deferred debt issuance costs	3,449,834	3,828,784
Prepaid expenses and other assets	1,261,765	1,527,745
Total assets	<u>1,414,082,063</u>	<u>1,387,598,461</u>
Liabilities		
Debt, net of unamortized issuance costs	608,356,669	571,658,862
Incentive allocation payable	4,976,378	4,716,834
Interest payable	4,671,563	5,013,713
Payable for investments purchased	2,056,600	12,348,925
Payable to the Advisor	525,867	325,790
Accrued expenses and other liabilities	2,215,965	2,598,346
Total liabilities	<u>622,803,042</u>	<u>596,662,470</u>
Commitments and contingencies (Note 5)		
Net assets applicable to common shareholders	<u>\$ 791,279,021</u>	<u>\$ 790,935,991</u>
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 53,042,047 and 53,041,900 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	\$ 53,042	\$ 53,042
Paid-in capital in excess of par	944,429,214	944,426,650
Accumulated net investment income	13,343,715	12,533,289
Accumulated net realized losses	(140,047,725)	(134,960,267)
Accumulated net unrealized depreciation	(26,499,225)	(31,116,723)
Net assets applicable to common shareholders	<u>\$ 791,279,021</u>	<u>\$ 790,935,991</u>
Net assets per share	<u>\$ 14.92</u>	<u>\$ 14.91</u>

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

March 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (A)											
Activities Related to Credit Intermediation											
Pegasus Business Intelligence, LP (Onyx Centersource)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75%	7.90%	12/20/2021	\$ 14,732,896	\$ 14,597,174	\$ 14,680,595	1.05%	
Pegasus Business Intelligence, LP (Onyx Centersource)	Revolver	LIBOR (Q)	1.00%	6.75%	N/A	12/20/2021	\$ -	(6,336)	(2,383)	-	J
iPayment, Inc.	First Lien Term Loan B2	LIBOR (Q)	1.50%	5.25%	6.75%	5/8/2017	\$ 11,289,051	11,244,616	11,232,605	0.81%	
								25,835,454	25,910,817	1.86%	
Activities Related to Real Estate											
Associations, Inc.	First Lien FILO Term Loan	LIBOR (Q)	1.00%	8.96%	10.11%	12/23/2019	\$ 12,859,453	12,754,268	12,988,048	0.93%	
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (2.25% Exit Fee)	LIBOR (M)	0.33%	10.17%	11.17%	12/31/2018	\$ 15,000,000	14,736,380	14,639,250	1.05%	H/K
Air Transportation											
Mesa Air Group, Inc.	Acquisition Loan	LIBOR (M)	-	7.25%	8.19%	7/15/2022	\$ 13,531,264	13,344,705	13,801,889	0.99%	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	-	7.25%	8.25%	12/14/2021	\$ 15,857,304	15,598,929	15,735,995	1.13%	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	-	7.25%	8.25%	2/28/2022	\$ 9,139,604	8,987,292	9,015,772	0.65%	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	-	7.25%	N/A	12/31/2022	\$ -	-	-	-	
								37,930,926	38,553,656	2.77%	
Amusement and Recreation											
AP Gaming I, LLC	First Lien Revolver	LIBOR (Q)	-	8.25%	N/A	12/20/2018	\$ -	(1,604,966)	(750,000)	(0.05)%	J
VSS-Southern Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.5% Cash + 2% PIK	9.65%	11/3/2020	\$ 24,342,738	23,916,272	24,023,848	1.72%	
VSS-Southern Holdings, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	6.5% Cash + 2% PIK	N/A	11/3/2020	\$ -	(15,384)	(17,123)	-	J
								22,295,922	23,256,725	1.67%	
Apparel Manufacturing											
Broder Bros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25%	5.75%	7.00%	6/3/2021	\$ 9,640,000	9,493,514	9,736,400	0.70%	
Broder Bros., Co.	First Lien Term Loan	LIBOR (Q)	1.25%	12.25%	13.50%	6/3/2021	\$ 9,760,000	9,621,892	9,857,600	0.71%	

B (Last Out)

									19,115,406	19,594,000	1.41%
Building Equipment Contractors											
Hylan Datacom & Electrical, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	7.50%	8.54%	7/25/2021	\$ 14,205,048	14,015,350	14,148,228	1.01%	
Business Support Services											
Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52%	N/A	11/30/2018	\$ -	(13,002)	5,800	-	J
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23%	9.27%	10.27%	11/30/2019	\$ 23,312,500	23,056,935	23,346,303	1.67%	K
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00%	9.25%	10.30%	6/30/2023	\$ 31,000,000	30,606,690	29,313,600	2.10%	
									53,650,623	52,665,703	3.77%
Chemicals											
Anuvia Plant Nutrients Holdings, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)	-	10.63%	12.40%	2/1/2018	\$ 6,027,601	5,998,676	6,060,150	0.43%	K
Green Biologics, Inc.	Sr Secured Delayed Draw Term Loan (12.4% Exit Fee)	Prime Rate	-	7.75%	11.75%	6/30/2019	\$ 15,000,000	14,646,627	14,173,500	1.02%	K
iGM RFE1 B.V. (Netherlands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	-	8.00%	9.15%	10/12/2021	\$ 888,608	882,751	920,154	0.07%	H
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	LIBOR (Q)	-	8.00%	9.15%	10/12/2021	\$ 3,840,430	3,814,482	3,976,765	0.29%	H
Nanosys, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	-	9.81%	10.94%	4/1/2019	\$ 10,000,000	9,497,959	9,691,000	0.69%	K
									34,840,495	34,821,569	2.50%
Communications Equipment Manufacturing											
Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	7.63%	10.38%	12/11/2018	\$ 14,442,682	14,298,255	14,166,826	1.02%	B
Computer Systems Design and Related Services											
Aptos Inc. (Canada)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75%	7.90%	9/1/2022	\$ 9,950,000	9,768,704	9,751,000	0.70%	H
Bracket Intermediate Holding Corp.	Second Lien Term Loan	LIBOR (M)	1.00%	9.00%	10.00%	3/14/2024	\$ 10,925,551	10,599,821	10,597,785	0.76%	
Dealersocket, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.12%	2/10/2021	\$ 17,500,000	16,923,123	17,435,250	1.25%	
Fidelis Acquisitionco, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.0% Cash + 2.0% PIK	9.00%	11/4/2019	\$ 42,997,043	42,473,722	42,997,043	3.08%	
Fidelis Acquisitionco, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00%	9.00%	11/4/2019	\$ 3,182,143	3,182,143	3,182,143	0.23%	
MSC Software Corporation	Second Lien Term Loan	LIBOR (M)	1.00%	7.50%	8.50%	5/29/2021	\$ 6,993,035	6,957,516	7,001,777	0.50%	
Marketo, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.50%	10.65%	8/16/2021	\$ 23,295,455	22,665,828	23,125,398	1.66%	
Marketo, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00%	9.50%	N/A	8/16/2021	\$ -	(44,816)	(12,443)	-	J
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan B	LIBOR (Q)	-	8.00%	9.04%	9/3/2018	\$ 2,308,067	2,308,067	2,308,067	0.17%	H
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan	LIBOR (Q)	-	8.00%	9.04%	9/3/2018	\$ 10,293,333	10,249,578	10,293,333	0.74%	H

OnX USA, LLC	First Lien Term Loan B	LIBOR (Q)	-	8.00%	9.04%	9/3/2018	\$ 3,726,133	3,726,133	3,726,133	0.27%
OnX USA, LLC	First Lien Term Loan	LIBOR (Q)	-	8.00%	9.04%	9/3/2018	\$ 3,146,667	3,141,380	3,146,667	0.23%
Waterfall International, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR (Q)	-	11.67%	12.67%	9/1/2018	\$ 4,800,000	4,730,576	5,305,680	0.38% K
								136,681,775	138,857,833	9.97%
Data Processing and Hosting Services										
IO Data Centers, USA, LLC	First Lien Term Loan	Fixed	-	9.00%	9.00%	1/15/2020	\$ 6,876,756	6,876,756	6,895,324	0.49%
Educational Support Services										
Edmentum, Inc.	Jr Revolving Facility	Fixed	-	5.00%	5.00%	6/9/2020	\$ 2,105,366	2,105,366	2,105,370	0.15% B
Edmentum Ultimate Holdings, LLC	Sr PIK Notes	Fixed	-	8.50%	8.50%	6/9/2020	\$ 2,908,070	2,908,070	2,908,070	0.21% B
Edmentum Ultimate Holdings, LLC	Jr PIK Notes	Fixed	-	10.00%	10.00%	6/9/2020	\$ 13,373,646	12,905,008	12,410,743	0.89% B
								17,918,444	17,424,183	1.25%
Electronic Component Manufacturing										
Soraa, Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44%	9.33%	10.33%	3/1/2018	\$ 12,690,841	12,410,761	12,444,639	0.89% K
Soraa, Inc.	Tranche B Term Loan	LIBOR (M)	0.44%	9.33%	10.33%	9/1/2017	\$ 1,603,779	1,574,011	1,578,199	0.11%
								13,984,772	14,022,838	1.00%

TCP Capital Corp.

Consolidated Schedule of Investments (Continued) (Unaudited)

March 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Electric Power Generation, Transmission and Distribution											
GlassPoint Solar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	-	11.44%	12.56%	8/1/2020	\$ 4,000,000	\$ 3,606,790	\$ 3,725,202	0.27%	K
GlassPoint Solar, Inc.	First Lien Delay Draw Term Loan A	LIBOR (M)	-	11.44%	N/A	8/1/2020	\$ -	-	-	-	-
GlassPoint Solar, Inc.	First Lien Delay Draw Term Loan B	LIBOR (M)	-	11.44%	N/A	8/1/2020	\$ -	-	-	-	-
Holocene Renewable Energy Fund 3, LLC (Conergy)	First Lien Term Loan	Fixed	-	9% Cash + 1% PIK	10.00%	9/10/2017	\$ 7,556,229	7,541,009	7,513,159	0.54%	
								11,147,799	11,238,361	0.81%	
Equipment Leasing											
36th Street Capital Partners Holdings, LLC	Senior Note	Fixed	-	12.00%	12.00%	11/1/2020	\$ 30,956,272	30,956,272	30,956,272	2.22%	E/F
Essex Ocean, LLC (Solexel)	Sr Secured Term Loan	Fixed	-	8.00%	8.00%	8/15/2018	\$ 1,696,898	1,696,898	1,237,887	0.09%	
								32,653,170	32,194,159	2.31%	
Facilities Support Services											
NANA Development Corp.	First Lien Term Loan B	LIBOR (M)	1.25%	6.75%	8.00%	3/15/2018	\$ 703,611	675,274	693,057	0.05%	
Financial Investment Activities											
Magnolia Finance V plc (Cayman Islands)	Asset-Backed Credit Linked Notes	Fixed	-	13.13%	13.13%	8/2/2021	\$ 15,000,000	15,000,000	15,030,000	1.08%	E/H
Grocery Stores											
Bashas, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50%	8.80%	10.30%	10/8/2019	\$ 9,135,537	9,100,587	9,226,892	0.66%	
Hospitals											
KPC Healthcare, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.00%	10.33%	2/6/2020	\$ 19,801,933	19,665,937	19,900,943	1.43%	
Pacific Coast Holdings Investment, LLC (KPC Healthcare)	First Lien Term Loan	LIBOR (M)	1.00%	7.50%	8.50%	2/14/2021	\$ 29,288,064	28,865,762	28,848,743	2.07%	
								48,531,699	48,749,686	3.50%	
Insurance											
Alera Group Intermediate Holdings, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00%	5.50%	N/A	12/30/2022	\$ -	(8,333)	(7,917)	-	J
Alera Group Intermediate Holdings, Inc.	First Lien Revolver	LIBOR (Q)	1.00%	5.50%	N/A	12/30/2021	\$ -	(7,595)	(7,216)	-	J
Alera Group Intermediate Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	5.50%	6.50%	12/30/2022	\$ 3,407,121	3,375,184	3,374,753	0.24%	
Association Member Benefits Advisors, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	8.75%	9.75%	6/8/2023	\$ 8,277,983	8,123,129	8,230,384	0.59%	
US Apple Holdco,	First Lien FILO	LIBOR	0.50%	13.62%	14.61%	8/29/2019	\$ 20,045,455	19,601,825	20,045,455	1.44%	

LLC (Ventiv Technology)	Term Loan	(Q)							31,084,210	31,635,459	2.27%
Lessors of Nonfinancial Licenses											
ABG Intermediate Holdings 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.65%	5/27/2022	\$ 16,573,588	16,438,751	16,822,192	1.21%	
ABG Intermediate Holdings 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00%	8.50%	9.65%	5/27/2022	\$ 3,426,412	3,398,716	3,477,808	0.25%	
Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.65%	10.65%	3/21/2022	\$ 35,310,220	34,960,857	34,868,842	2.50%	
									54,798,324	55,168,842	3.96%
Management, Scientific, and Technical Consulting Services											
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75%	9.94%	10/31/2019	\$ 23,646,472	23,305,524	23,640,560	1.70%	
Motion Picture and Video Industries											
NEG Holdings, LLC (CORE Entertainment)	First Lien Term Loan	LIBOR (Q)	1.00%	8.0% PIK	9.15%	10/17/2022	\$ 1,478,480	1,478,480	1,426,807	0.10%	
Nondepository Credit Intermediation											
Auto Trakk SPV, LLC	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50%	9.50%	10.41%	12/21/2021	\$ 32,392,942	31,920,714	32,213,653	2.31%	
Caliber Home Loans, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	6.50%	7.50%	6/30/2020	\$ 14,444,444	14,264,345	14,664,444	1.05%	
Caribbean Financial Group (Cayman Islands)	Sr Secured Notes	Fixed	-	11.50%	11.50%	11/15/2019	\$ 28,678,000	28,576,292	29,394,950	2.11% E/G/H	
Daymark Financial Acceptance, LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	-	9.50%	10.53%	1/12/2020	\$ 17,500,000	17,316,726	17,038,000	1.22%	
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.00%	3/26/2021	\$ 16,022,574	15,880,551	16,182,800	1.16%	
Trade Finance Funding I, Ltd. (Cayman Islands)	Secured Class B Notes	Fixed	-	10.75%	10.75%	11/13/2018	\$ 15,084,000	15,084,000	12,972,240	0.93% E/H	
									123,042,628	122,466,087	8.78%
Other Information Services											
Asset International, Inc.	Delayed Draw Term Loan	LIBOR (Q)	1.00%	8.50%	9.65%	7/31/2020	\$ 1,251,626	1,229,491	1,249,019	0.09%	
Asset International, Inc.	Revolver Loan	LIBOR (Q)	1.00%	8.50%	9.65%	7/31/2020	\$ 491,303	480,936	490,075	0.04%	
Asset International, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.65%	7/31/2020	\$ 15,311,040	15,122,738	15,291,901	1.10%	
Simmons Research, LLC	First Lien Term Loan	LIBOR (Q)	0.50%	10.50%	11.69%	12/11/2020	\$ 3,098,732	3,050,523	3,135,917	0.22%	
TCH-2 Holdings, LLC (TravelClick)	Second Lien Term Loan	LIBOR (M)	1.00%	7.75%	8.75%	11/6/2021	\$ 19,988,392	19,778,668	19,813,494	1.42% G	
									39,662,356	39,980,406	2.87%
Other Manufacturing											
AGY Holding Corp.	Sr Secured Term Loan	Fixed	-	12.00%	12.00%	9/15/2018	\$ 4,869,577	4,869,577	4,869,710	0.35% B	
AGY Holding Corp.	Second Lien Notes	Fixed	-	11.00%	11.00%	11/15/2018	\$ 9,268,000	7,586,317	9,268,000	0.66% B/E	
AGY Holding Corp.	Delayed Draw Term Loan	Fixed	-	12.00%	12.00%	9/15/2018	\$ 1,049,146	1,049,146	1,049,147	0.08% B	
Bioventus, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	6.25%	7.25%	11/15/2021	\$ 4,968,750	4,875,657	4,981,172	0.36%	
Boomerang Tube, LLC	Subordinated Notes	LIBOR (M)	-	17.50%	N/A	2/1/2021	\$ 1,030,741	1,030,741	107,197	0.01% C	

											19,411,438	20,275,226	1.46%
Other Publishing													
Bisnow, LLC	First Lien Revolver	LIBOR (Q)	-	9.00%	N/A	4/29/2021	\$ -	(24,000)	15,000	-	J		
Bisnow, LLC	First Lien Term Loan	LIBOR (Q)	-	9.00%	10.19%	4/29/2021	\$ 8,394,959	8,252,293	8,361,379	0.60%			
Contextmedia Health, LLC	First Lien Term Loan B	LIBOR (M)	1.00%	6.50%	7.50%	12/23/2021	\$ 13,465,909	12,163,700	13,465,909	0.96%			
								20,391,993	21,842,288	1.56%			
Other Telecommunications													
Securus Technologies, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	7.75%	9.00%	4/30/2021	\$ 4,516,129	4,470,968	4,527,419	0.32%			
Plastics Manufacturing													
Iracore International, Inc.	Sr Secured Notes	Fixed	-	9.50%	9.50%	6/1/2018	\$ 13,781,000	14,291,250	4,177,710	0.30% C/E/G			
Radio and Television Broadcasting													
Fuse, LLC	Sr Secured Notes	Fixed	-	10.38%	10.38%	7/1/2019	\$ 7,312,000	7,312,000	4,429,851	0.32% E/G			
NEP/NCP Holdco, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	8.75%	10.00%	7/22/2020	\$ 15,981,496	15,746,113	16,221,218	1.16% G			
								23,058,113	20,651,069	1.48%			

TCP Capital Corp.

Consolidated Schedule of Investments (Continued) (Unaudited)

March 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Real Estate Leasing											
Home Partners of America, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	7.00%	8.00%	10/13/2022	\$ 5,000,000	\$ 4,907,790	\$ 5,000,000	0.36%	
Restaurants											
RM OpCo, LLC (Real Mex)	Convertible Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$ 1,984,960	1,984,960	1,984,960	0.14%	B
RM OpCo, LLC (Real Mex)	First Lien Term Loan Tranche A	Fixed	-	7.00%	7.00%	3/30/2018	\$ 4,877,999	4,594,613	4,877,999	0.35%	B
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B	Fixed	-	8.50%	8.50%	3/30/2018	\$ 9,890,374	9,890,374	1,335,200	0.09%	B
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$ 3,114,816	3,099,394	3,114,816	0.22%	B
RM OpCo, LLC (Real Mex)	Sr Convertible Second Lien Term Loan B	Fixed	-	8.50%	8.50%	3/30/2018	\$ 5,600,829	5,600,829	5,600,829	0.40%	B
								25,170,170	16,913,804	1.20%	
Retail											
Bon-Ton, Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00%	9.50%	10.50%	3/15/2021	\$ 4,432,934	4,354,318	4,393,038	0.31%	
Gander Mountain Company	Second Lien Term Loan	LIBOR (M)	-	12.00%	13.05%	6/15/2018	\$ 14,740,910	14,637,679	14,888,319	1.07%	
The Gymboree Corporation	First Lien Term Loan	LIBOR (M)	-	10.25%	11.30%	9/24/2020	\$ 12,692,511	12,469,507	12,946,362	0.93%	
								31,461,504	32,227,719	2.31%	
Satellite Telecommunications											
Avanti Communications Group, PLC (United Kingdom)	Delayed Draw PIK Toggle Notes	Fixed	-	10.00%	10.00%	11/30/2022	\$ -	(21,860)	(22,538)	-	E/H/J
Avanti Communications Group, PLC (United Kingdom)	Sr New Money Initial Note	Fixed	-	10.00%	10.00%	10/1/2021	\$ 1,239,631	1,203,193	1,121,866	0.08%	E/G/H
Avanti Communications Group, PLC (United Kingdom)	Sr Second-Priority PIK Toggle Note	Fixed	-	10.00%	10.00%	10/1/2021	\$ 3,163,188	3,073,088	2,862,685	0.21%	E/G/H
Avanti Communications Group, PLC (United Kingdom)	Sr Secured Third-Priority Note	Fixed	-	12.00%	12.00%	10/1/2023	\$ 6,327,730	2,934,259	2,594,369	0.19%	E/G/H

								7,188,680	6,556,382	0.48%
Scientific Research and Development Services										
BPA Laboratories, Inc.	Second Lien Term Loan	LIBOR (Q)	-	2.50%	3.54%	7/1/2017	\$ 3,081,346	1,878,682	2,079,908	0.15%
Envigo Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.53%	11/3/2021	\$35,104,936	34,454,676	34,841,649	2.50%
								36,333,358	36,921,557	2.65%
Software Publishing										
Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	11.50%	12.69%	6/9/2017	\$27,570,661	27,578,796	27,438,322	1.97% H
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.5% Cash + 1.25% PIK	10.90%	1/31/2020	\$30,323,679	29,978,013	29,272,963	2.10%
Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	5.75% Cash + 3% PIK	9.94%	3/31/2019	\$36,231,157	35,913,209	36,439,486	2.61%
Fishbowl, Inc.	First Lien Term Loan	LIBOR (Q)	-	2.8% Cash + 8.45% PIK	12.44%	1/26/2022	\$18,432,074	17,826,924	17,786,952	1.27%
Mapp Digital US, LLC	First Lien Term Loan	LIBOR (Q)	-	9.50%	10.65%	12/31/2017	\$ 5,692,765	5,635,544	5,712,690	0.41%
Newscycle Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	-	13.00%	14.11%	9/10/2021	\$11,513,361	11,213,956	11,493,214	0.82%
Newscycle Solutions AB (Sweden)	Second Lien Term Loan B	LIBOR (Q)	-	13.00%	14.11%	9/10/2021	\$11,513,362	11,213,956	11,493,214	0.82% H
Soasta, Inc.	First Lien Term Loan (8.0% Exit Fee)	LIBOR (M)	-	9.56%	10.69%	4/1/2019	\$17,880,435	17,640,758	19,351,995	1.39% K
Soasta, Inc.	Convertible Promissory Note	Fixed	-	10.00%	10.00%	12/16/2017	\$ 2,282,609	2,282,609	6,043,435	0.43%
Tradeshift Holdings, Inc.	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	LIBOR (M)	-	8.88%	10.00%	9/1/2020	\$11,470,517	10,660,339	10,820,142	0.78% K
Utilidata, Inc.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62%	9.88%	10.88%	1/1/2019	\$ 2,852,742	2,778,166	2,799,967	0.20% K
								172,722,270	178,652,380	12.80%
Textile Furnishings Mills										
Lexmark Carpet Mills, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$22,570,814	22,570,814	22,700,596	1.63%
Lexmark Carpet Mills, Inc.	First Lien Term Loan B	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$ 7,742,314	7,615,554	7,786,832	0.56%
								30,186,368	30,487,428	2.19%
Utility System Construction										
Kawa Solar Holdings Limited (Cayman Islands)	Bank Guarantee Credit Facility	Fixed	-	8.2% Cash + 3.5% PIK	11.70%	7/2/2017	\$21,464,657	21,464,657	21,464,657	1.54% F/H
Kawa Solar Holdings Limited (Cayman Islands)	Revolving Credit Facility	Fixed	-	8.20%	8.20%	7/2/2017	\$ 4,000,000	4,000,000	3,075,000	0.22% F/H
								25,464,657	24,539,657	1.76%
Wholesalers										
NILCO, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	9.50%	10.65%	9/1/2021	\$20,756,994	20,197,037	21,379,704	1.53%
Wired Telecommunications Carriers										
Alpheus Communications, LLC	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00%	7.42%	8.78%	5/31/2018	\$ 329,845	326,566	325,227	0.02%

Alpheus Communications, LLC	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00%	7.42%	8.60%	5/31/2018	\$ 1,338,648	1,331,125	1,314,901	0.09%
Alpheus Communications, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00%	7.42%	8.42%	5/31/2018	\$ 7,207,350	7,135,699	7,107,528	0.51%
U.S. TelePacific Corp.	First Lien Notes	LIBOR (Q)	1.00%	8.50%	9.62%	2/24/2021	\$10,000,000	9,731,525	10,000,000	0.72%
								<u>18,524,915</u>	<u>18,747,656</u>	<u>1.34%</u>
Wireless Telecommunications Carriers										
Gogo, LLC	Sr Secured Notes	Fixed	-	12.50%	12.50%	7/1/2022	\$10,000,000	10,000,000	11,312,500	0.81% E/G
Total Debt Investments								<u>1,279,195,388</u>	<u>1,273,607,815</u>	<u>91.34%</u>

TCP Capital Corp.

Consolidated Schedule of Investments (Continued) (Unaudited)

March 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities											
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	Warrants to Purchase Stock						1,049,996	\$ 276,492	\$ 98,910	0.01%	C/E/H
Air Transportation											
Aircraft Leased to United Airlines, Inc.											
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683	3,160,496	3,090,678	0.22%	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	3,280,344	3,161,098	0.23%	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843	855,313	3,408,386	0.24%	C/E
								7,296,153	9,660,162	0.69%	
Business Support Services											
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01%	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	779,714	0.06%	C/E
								556,370	922,847	0.07%	
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	272,807	1,000	-	C/E
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	640,640	0.05%	C/E
								878,073	641,640	0.05%	
Communications Equipment Manufacturing											
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units						5,000,000	5,000,000	233,000	0.02%	B/C/E
Computer Systems Design and Related Services											
Waterfall International, Inc.	Series B Preferred Stock						1,428,571	1,000,000	1,025,143	0.07%	C/E
Waterfall International, Inc.	Warrants to Purchase Stock						920,000	89,847	55,752	-	C/E
								1,089,847	1,080,895	0.07%	
Data Processing and Hosting Services											
Anacomp, Inc.	Class A Common Stock						1,255,527	26,711,047	1,117,419	0.08%	C/E/F
Rightside Group, Ltd.	Warrants						498,855	2,778,622	738,685	0.05%	C/E
								29,489,669	1,856,104	0.13%	
Educational Support Services											
Edmentum Ultimate Holdings, LLC	Class A Common Units						159,515	680,226	1,123,589	0.08%	B/C/E
Electric Power Generation, Transmission and Distribution											
GlassPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock						1,100,000	265,618	275,330	0.02%	C/E
Electrical Equipment Manufacturing											

NEXTracker, Inc.	Series B Preferred Stock	558,884	-	1,548,109	0.11%	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	-	48,863	-	E
				<u>1,596,972</u>	<u>0.11%</u>	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	9,216	-	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	7,280,139	7,280,139	8,664,822	0.62%	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	-	-	C/E/F
			<u>7,383,537</u>	<u>8,664,822</u>	<u>0.62%</u>	
Financial Investment Activities						
GACP I, LP	Membership Units	18,520,966	18,611,983	18,891,480	1.35%	C/E/I
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	-	C/E/I
			<u>18,784,677</u>	<u>18,893,167</u>	<u>1.35%</u>	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	-	210,035	0.02%	B/E
Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	1,235,194	1,278,702	0.09%	C/E
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,548,376	0.11%	C/E
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	193,842	0.01%	C/E
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	195,765	0.02%	C/E
			<u>3,166,925</u>	<u>3,216,685</u>	<u>0.23%</u>	
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082	81,304	0.01%	C/E/H
Other Manufacturing						
AGY Holding Corp.	Common Stock	1,333,527	-	-	-	B/C/E
Boomerang Tube Holdings, Inc.	Common Stock	24,288	243	-	-	C/E
KAGY Holding Company, Inc.	Series A Preferred Stock	9,778	1,091,200	5,213,117	0.37%	B/C/E
			<u>1,091,443</u>	<u>5,213,117</u>	<u>0.37%</u>	
Radio and Television Broadcasting						
Fuse Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	-	-	C/E
Restaurants						
RM Holdco, LLC (Real Mex)	Equity Participation	24	-	-	-	B/C/E
RM Holdco, LLC (Real Mex)	Membership Units	13,161,000	2,010,777	-	-	B/C/E
			<u>2,010,777</u>	<u>-</u>	<u>-</u>	
Retail						
Shop Holding, LLC (Connexity)	Class A Units	507,167	480,049	-	-	C/E

TCP Capital Corp.

Consolidated Schedule of Investments (Continued) (Unaudited)

March 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Satellite Telecommunications											
Avanti Communications Group, PLC (United Kingdom)	Common Stock						245,368	\$ 3,086	\$ 40,032	-	C/D/H
Software Publishing											
Blackline Intermediate, Inc.	Warrants to Purchase Common Stock						246,546	522,678	5,951,872	0.43%	C/E
Soasta, Inc.	Warrants to Purchase Series F Preferred Stock						1,251,630	533,192	887,281	0.07%	C/E
Tradeshift, Inc.	Warrants to Purchase Series D Preferred Stock						1,712,930	577,843	564,068	0.04%	
Utilidata, Inc.	Warrants to Purchase Preferred Stock						719,998	216,336	57,240	-	C/E
								<u>1,850,049</u>	<u>7,460,461</u>	<u>0.54%</u>	
Utility System Construction											
Kawa Solar Holdings Limited (Cayman Islands)	Ordinary Shares						2,332,594	-	-	-	C/E/F/H
Kawa Solar Holdings Limited (Cayman Islands)	Series B Preferred Shares						93,023	1,395,349	1,395,583	0.10%	C/E/F/H
								<u>1,395,349</u>	<u>1,395,583</u>	<u>0.10%</u>	
Wired Telecommunications Carriers											
V Telecom Investment S.C.A. (Luxembourg)	Common Shares						1,393	3,236,256	2,228,100	0.16%	C/D/E/H
Total Equity Securities								<u>85,792,899</u>	<u>64,901,971</u>	<u>4.65%</u>	
Total Investments								<u>\$ 1,364,988,287</u>	<u>\$ 1,338,509,786</u>		
Cash and Cash Equivalents											
Cash Held on Account at Various Institutions									55,964,496	4.01%	
Cash and Cash Equivalents									<u>55,964,496</u>	<u>4.01%</u>	
Total Cash and Investments									<u>\$ 1,394,474,282</u>	<u>100.00%</u>	L

Notes to Consolidated Schedule of Investments:

- (A) 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.
- (B) 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.
- (C) Non-income producing security.
- (D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated

investments are generally hedged for currency exposure.

- (E) Restricted security. (See Note 2)
- (F) 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% of the outstanding voting securities of the issuer nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.
- (G) Investment has been segregated to collateralize certain unfunded commitments.
- (H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (I) Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (J) Negative balances relate to an unfunded commitment that was acquired and/or valued at a discount.
- (K) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.
- (L) All cash and investments, except those referenced in Notes G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$139,793,080 and \$117,033,249, respectively, for the three months ended March 31, 2017. 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, 2017 was \$1,337,798,489 or 95.9% of total cash and investments of the Company. As of March 31, 2017, approximately 13.8% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (A)											
Activities Related to Credit Intermediation											
Pegasus Business Intelligence, LP (Onyx Centersource)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75%	7.75%	12/20/2021	\$ 14,769,821	\$ 14,623,499	\$ 14,622,123	1.07%	
Pegasus Business Intelligence, LP (Onyx Centersource)	Revolver	LIBOR (Q)	1.00%	6.75%	N/A	12/20/2021	\$ -	(6,669)	(6,713)	-	J
iPayment, Inc.	First Lien Term Loan B2	LIBOR (Q)	1.50%	5.25%	6.75%	5/8/2017	\$ 11,289,051	11,134,310	10,893,934	0.80%	
								25,751,140	25,509,344	1.87%	
Activities Related to Real Estate											
Associations, Inc.	First Lien FILO Term Loan	LIBOR (Q)	1.00%	8.96%	9.96%	12/23/2019	\$ 12,891,845	12,773,127	12,898,291	0.94%	
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33%	10.17%	10.98%	9/1/2018	\$ 15,000,000	14,772,946	14,704,508	1.07%	H/K
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33%	10.17%	N/A	9/1/2018	\$ -	-	-	-	H
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 3 Term Loan	LIBOR (M)	0.33%	10.17%	N/A	9/1/2018	\$ -	-	-	-	H
								14,772,946	14,704,508	1.07%	
Air Transportation											
Mesa Air Group, Inc.	Acquisition Loan	LIBOR (M)	-	7.25%	8.00%	7/15/2022	\$ 14,042,971	13,839,296	14,323,830	1.05%	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	-	7.25%	8.00%	12/14/2021	\$ 16,546,652	16,259,013	16,257,105	1.19%	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	-	7.25%	N/A	2/28/2022	\$ -	-	-	-	
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	-	7.25%	N/A	12/31/2022	\$ -	-	-	-	
								30,098,309	30,580,935	2.24%	
Amusement and Recreation											
AP Gaming I, LLC	First Lien Revolver	LIBOR (M)	-	8.25%	N/A	12/20/2018	\$ -	(1,655,756)	(937,500)	(0.07%)	J
VSS-Southern Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.5% Cash + 2% PIK	9.50%	11/3/2020	\$ 24,220,291	23,755,180	23,735,885	1.73%	
VSS-Southern Holdings, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	6.5% Cash + 2% PIK	N/A	11/3/2020	\$ -	(16,444)	(17,123)	-	J
								22,082,980	22,781,262	1.66%	
Apparel Manufacturing											
Broder Bros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25%	5.75%	7.00%	6/3/2021	\$ 9,700,000	9,541,402	9,700,000	0.71%	

Broder Bros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25%	12.25%	13.50%	6/3/2021	\$ 9,800,000	9,646,339	9,800,000	0.72%
JH Apparel Holdings, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.60%	10.60%	4/8/2019	\$ 2,714,632	2,705,143	2,741,779	0.20%
								<u>21,892,884</u>	<u>22,241,779</u>	<u>1.63%</u>
Building Equipment Contractors										
Hylan Datacom & Electrical, LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00%	7.50%	8.50%	7/25/2021	\$ -	-	-	-
Hylan Datacom & Electrical, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	7.50%	8.50%	7/25/2021	\$ 14,295,589	14,092,734	14,188,374	1.04%
								<u>14,092,734</u>	<u>14,188,374</u>	<u>1.04%</u>
Business Support Services										
Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52%	N/A	11/30/2018	\$ -	(17,798)	70,000	0.01% J
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.23%	9.27%	10.12%	11/30/2019	\$ 23,937,500	23,867,666	24,356,406	1.78% K
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00%	9.25%	10.25%	6/30/2023	\$ 31,000,000	30,588,757	30,336,600	2.22%
								<u>54,438,625</u>	<u>54,763,006</u>	<u>4.01%</u>
Chemicals										
Anuvia Plant Nutrients Holdings, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (Q)	-	10.63%	11.63%	2/1/2018	\$ 7,563,676	7,995,360	8,250,457	0.60% K
Green Biologics, Inc.	Sr Secured Delayed Draw Term Loan (12.4% Exit Fee)	Prime Rate	-	7.75%	11.50%	6/30/2019	\$ 15,000,000	15,468,439	14,905,500	1.09% K
iGM RFE1 B.V. (Netherlands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	-	8.00%	9.00%	10/12/2021	\$ 253,581	245,565	251,684	0.02% H
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	LIBOR (Q)	-	8.00%	9.00%	10/12/2021	\$ 3,864,583	3,836,083	3,835,599	0.28% H
Nanosys, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fees)	LIBOR (Q)	-	9.81%	10.75%	4/1/2019	\$ 10,000,000	9,526,456	9,712,000	0.71% K
								<u>37,071,903</u>	<u>36,955,240</u>	<u>2.70%</u>
Communications Equipment Manufacturing										
Globecomm Systems, Inc.	First Lien Term Loan	LIBOR (Q)	1.25%	7.63%	8.88%	12/11/2018	\$ 14,480,001	14,335,200	14,480,002	1.06% B
Triangle Acquisition Co. (Polycom)	First Lien Term Loan	LIBOR (Q)	1.00%	6.50%	7.50%	9/27/2023	\$ 4,835,417	4,646,389	4,877,727	0.36%
								<u>18,981,589</u>	<u>19,357,729</u>	<u>1.42%</u>
Computer Systems Design and Related Services										
Aptos Inc. (Canada)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75%	7.75%	9/1/2022	\$ 9,975,000	9,784,353	9,875,250	0.72% H
Dealersocket, Inc.	Senior Secured 1st Lien Term Loan	LIBOR (M)	1.00%	10.00%	11.00%	2/10/2021	\$ 17,500,000	16,884,459	17,291,750	1.26%
MSC Software Corporation	Second Lien Term Loan	LIBOR (M)	1.00%	7.50%	8.50%	5/29/2021	\$ 6,993,035	6,953,617	7,001,777	0.51%
Marketo, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.50%	10.50%	8/16/2021	\$ 23,295,455	22,630,922	22,887,784	1.67%
Marketo, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00%	9.50%	10.50%	8/16/2021	\$ -	(47,341)	21,307	- J
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.90%	9/3/2018	\$ 2,314,000	2,314,000	2,314,000	0.17% H
OnX Enterprise Solutions, Ltd. (Canada)	First Lien Term Loan	LIBOR (Q)	-	8.00%	8.90%	9/3/2018	\$ 10,320,000	10,268,787	10,320,000	0.75% H
OnX USA, LLC	First Lien Term Loan B	LIBOR (Q)	-	8.00%	8.90%	9/3/2018	\$ 3,738,000	3,738,000	3,738,000	0.27%

OnX USA, LLC	First Lien Term Loan	LIBOR (Q)	-	8.00%	8.90%	9/3/2018	\$ 3,160,000	3,151,013	3,160,000	0.23%
Waterfall International, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR (Q)	-	11.67%	12.48%	9/1/2018	\$ 4,800,000	4,827,231	4,970,640	0.36% K
								<u>80,505,041</u>	<u>81,580,508</u>	<u>5.94%</u>
Data Processing and Hosting Services										
IO Data Centers, USA, LLC	First Lien Term Loan	Fixed	-	9.00%	9.00%	1/15/2020	\$ 6,876,756	6,876,756	6,876,756	0.50%
Electric Power Generation, Transmission and Distribution										
Holocene Renewable Energy Fund 3, LLC (Conergy)	First Lien Term Loan	Fixed	-	9% Cash + 1% PIK	10.00%	9/10/2017	\$ 7,518,173	7,491,471	7,442,991	0.54%
Electronic Component Manufacturing										
Soraa, Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (Q)	0.44%	9.33%	10.15%	3/1/2018	\$ 15,666,296	15,483,478	15,471,251	1.13% K
Soraa, Inc.	Tranche B Term Loan	LIBOR (Q)	0.44%	9.33%	10.15%	9/1/2017	\$ 1,603,779	1,556,152	1,563,204	0.11%
								<u>17,039,630</u>	<u>17,034,455</u>	<u>1.24%</u>
Equipment Leasing										
36th Street Capital Partners Holdings, LLC	Senior Note	Fixed	-	12.00%	12.00%	11/1/2020	\$ 29,203,304	29,203,304	29,203,304	2.13% E/F
Essex Ocean, LLC (Solexel)	Sr Secured Term Loan	Fixed	-	8.00%	8.00%	8/15/2018	\$ 1,685,289	1,685,289	1,718,994	0.13%
								<u>30,888,593</u>	<u>30,922,298</u>	<u>2.26%</u>

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Facilities Support Services											
NANA Development Corp.	First Lien Term Loan B	LIBOR (M)	1.25%	6.75%	8.00%	3/15/2018	\$ 879,513	\$ 834,963	\$ 853,128	0.06%	
Financial Investment Activities											
Magnolia Finance V plc (Cayman Islands)	Asset-Backed Credit Linked Notes	Fixed	-	13.13%	13.13%	8/2/2021	\$ 15,000,000	15,000,000	14,994,000	1.10%	E/H
Grocery Stores											
Bashas, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50%	8.80%	10.30%	10/8/2019	\$ 9,333,235	9,297,529	9,426,567	0.69%	
Hospitals											
KPC Healthcare, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.25%	10.51%	8/28/2020	\$ 12,071,083	11,857,665	12,375,878	0.90%	
Pacific Coast Holdings Investment, LLC	Senior Secured 1st Lien Delayed Draw Term Loan	LIBOR (M)	2.00%	9.70%	11.70%	10/23/2019	\$ 10,828,233	10,806,929	10,828,233	0.79%	
								22,664,594	23,204,111	1.69%	
Insurance											
Alera Group Intermediate Holdings, Inc.	First Lien Delayed Draw Term Loan	Prime	-	4.50%	8.25%	12/30/2022	\$ -	(8,333)	-	-	J
Alera Group Intermediate Holdings, Inc.	First Lien Revolver	Prime	-	4.50%	8.25%	12/30/2021	\$ -	(7,595)	-	-	J
Alera Group Intermediate Holdings, Inc.	First Lien Term Loan	Prime	-	4.50%	8.25%	12/30/2022	\$ 3,407,121	3,373,050	3,373,050	0.25%	
Association Member Benefits Advisors, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	8.75%	9.75%	6/8/2023	\$ 8,277,983	8,112,882	8,112,423	0.59%	
JSS Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	6.50%	7.50%	8/31/2021	\$ 3,750,000	3,689,740	3,731,250	0.27%	
US Apple Holdco, LLC (Ventiv Technology)	First Lien Term Loan	LIBOR (Q)	0.50%	13.62%	14.49%	8/29/2019	\$ 20,015,152	19,533,393	20,015,152	1.46%	
								34,693,137	35,231,875	2.57%	
Lessors of Nonfinancial Licenses											
ABG Intermediate Holdings 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	5/27/2022	\$ 16,573,588	16,434,441	16,739,324	1.22%	
ABG Intermediate Holdings 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	5/27/2022	\$ 3,426,412	3,396,918	3,460,676	0.25%	
								19,831,359	20,200,000	1.47%	
Management, Scientific, and Technical Consulting Services											
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75%	9.75%	10/31/2019	\$ 23,995,511	23,613,049	23,699,166	1.73%	
Motion Picture and Video Industries											

NEG Holdings, LLC (CORE Entertainment)	First Lien Term Loan	LIBOR (Q)	1.00%	8.0% PIK	9.00%	10/17/2022	\$ 1,445,592	1,445,592	1,387,712	0.10%
Nondepository Credit Intermediation										
Auto Trakk SPV, LLC	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50%	9.50%	10.24%	12/21/2021	\$ 32,392,942	31,888,166	31,939,467	2.33%
Caliber Home Loans, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	6.50%	7.50%	6/30/2020	\$ 13,333,333	13,136,017	13,133,333	0.96%
Caribbean Financial Group (Cayman Islands)	Sr Secured Notes	Fixed	-	11.50%	11.50%	11/15/2019	\$ 28,678,000	28,568,148	29,108,170	2.13% E/G/H
Daymark Financial Acceptance, LLC	First Lien Delayed Draw Term Loan	LIBOR (M)	-	9.50%	10.27%	1/12/2020	\$ 17,500,000	17,300,337	16,992,500	1.24%
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.00%	3/26/2021	\$ 16,062,731	15,912,928	16,207,296	1.18%
Trade Finance Funding I, Ltd. (Cayman Islands)	Secured Class B Notes	Fixed	-	10.75%	10.75%	11/13/2018	\$ 15,084,000	15,084,000	14,857,740	1.09% E/H
								121,889,596	122,238,506	8.93%
Other Information Services										
Asset International, Inc.	Delayed Draw Term Loan	LIBOR (M)	1.00%	8.50%	9.50%	7/31/2020	\$ 1,251,626	1,227,886	1,231,183	0.09%
Asset International, Inc.	Revolver Loan	LIBOR (M)	1.00%	8.50%	9.50%	7/31/2020	\$ 491,303	480,225	481,674	0.04%
Asset International, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	8.50%	9.50%	7/31/2020	\$ 15,408,563	15,204,465	15,257,559	1.11%
Simmons Research, LLC	First Lien Term Loan	LIBOR (Q)	0.50%	10.50%	11.38%	12/11/2020	\$ 4,936,601	4,853,985	4,973,625	0.36%
SoundCloud Ltd. (United Kingdom)	Sr Secured Term Loan (2.0% Exit Fee)	LIBOR (M)	0.28%	10.72%	11.60%	10/1/2018	\$ 31,550,000	31,632,236	32,510,698	2.38% H/K
TCH-2 Holdings, LLC (TravelClick)	Second Lien Term Loan	LIBOR (M)	1.00%	7.75%	8.75%	11/6/2021	\$ 19,988,392	19,769,829	19,663,581	1.44% G
								73,168,626	74,118,320	5.42%
Other Manufacturing										
AGY Holding Corp.	Sr Secured Term Loan	Fixed	-	12.00%	12.00%	9/15/2018	\$ 4,869,577	4,869,577	4,869,710	0.36% B
AGY Holding Corp.	Second Lien Notes	Fixed	-	11.00%	11.00%	11/15/2018	\$ 9,268,000	7,586,317	9,268,000	0.68% B/E
AGY Holding Corp.	Delayed Draw Term Loan	Fixed	-	12.00%	12.00%	9/15/2018	\$ 1,049,146	1,049,146	1,049,147	0.08% B
Bioventus, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	6.25%	7.25%	11/15/2021	\$ 5,000,000	4,900,613	5,000,000	0.37%
Boomerang Tube, LLC	Subordinated Notes	LIBOR (M)	-	17.50%	N/A	2/1/2021	\$ 1,030,741	1,030,740	107,200	0.01% C
								19,436,393	20,294,057	1.50%
Other Publishing										
Bisnow, LLC	First Lien Revolver	LIBOR (Q)	-	9.00%	N/A	4/29/2021	\$ -	(24,000)	15,000	- J
Bisnow, LLC	First Lien Term Loan	LIBOR (Q)	-	9.00%	9.88%	4/29/2021	\$ 8,614,356	8,459,058	8,549,749	0.62%
Contextmedia Health, LLC	First Lien Term Loan B	LIBOR (M)	1.00%	6.50%	7.50%	12/23/2021	\$ 13,636,364	12,272,727	12,477,273	0.91%
								20,707,785	21,042,022	1.53%
Other Telecommunications										
Securus Technologies, Inc.	Second Lien Term Loan	LIBOR (Q)	1.25%	7.75%	9.00%	4/30/2021	\$ 4,516,129	4,470,968	4,407,177	0.32%
Pharmaceuticals										

Lantheus Medical Imaging, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	6.00%	7.00%	6/30/2022	\$ 8,642,604	8,199,514	8,664,210	0.63%
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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	Notes
Debt Investments (continued)											
Plastics Manufacturing											
Iracore International, Inc.	Sr Secured Notes	Fixed	-	9.50%	9.50%	6/1/2018	\$ 13,600,000	\$ 14,246,000	\$ 4,503,640	0.33%	C/E/G
Radio and Television Broadcasting											
Fuse, LLC	Sr Secured Notes	Fixed	-	10.38%	10.38%	7/1/2019	\$ 7,312,000	7,312,000	4,435,972	0.32%	E/G
NEP/NCP Holdco, Inc.	Second Lien Term Loan	LIBOR (M)	1.25%	8.75%	10.00%	7/22/2020	\$ 15,981,496	15,727,220	16,141,311	1.18%	
								23,039,220	20,577,283	1.50%	
Real Estate Leasing											
Home Partners of America, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	7.00%	8.00%	10/13/2022	\$ 5,000,000	4,902,332	5,000,000	0.37%	
Restaurants											
RM OpCo, LLC (Real Mex)	Convertible Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$ 1,943,371	1,943,371	1,943,371	0.14%	B
RM OpCo, LLC (Real Mex)	First Lien Term Loan Tranche A	Fixed	-	7.00%	7.00%	3/30/2018	\$ 4,871,284	4,587,898	4,871,284	0.36%	B
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B	Fixed	-	8.50%	8.50%	3/30/2018	\$ 9,683,150	9,683,150	3,154,770	0.23%	B
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B-1	Fixed	-	8.50%	8.50%	3/30/2018	\$ 3,049,554	3,034,132	3,049,555	0.22%	B
RM OpCo, LLC (Real Mex)	Sr Convertible Second Lien Term Loan B	Fixed	-	8.50%	8.50%	3/30/2018	\$ 4,251,368	4,251,368	4,251,368	0.31%	B
								23,499,919	17,270,348	1.26%	
Retail											
Bon-Ton, Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00%	9.50%	10.50%	3/15/2021	\$ 4,432,934	4,348,162	4,388,605	0.32%	
Gander Mountain Company	Second Lien Term Loan	LIBOR (M)	-	9.50%	10.44%	6/15/2018	\$ 14,740,910	14,618,096	14,749,754	1.08%	
The Gymboree Corporation	First Lien Term Loan	LIBOR (Q)	-	10.25%	11.18%	9/24/2020	\$ 12,857,349	12,618,039	13,050,209	0.95%	
Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	8.50%	9.50%	9/25/2020	\$ 20,672,789	20,491,699	20,879,517	1.53%	
								52,075,996	53,068,085	3.88%	
Satellite Telecommunications											
Avanti Communications Group, PLC (United Kingdom)	Sr Secured Notes	Fixed	-	10.00%	10.00%	10/1/2019	\$ 9,393,000	9,393,000	5,665,153	0.41%	E/G/H

Scientific Research and Development Services

Envigo Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	8.50%	9.50%	11/3/2021	\$35,192,124	34,499,517	34,796,212	2.54%
Software Publishing										
Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	11.50%	12.50%	6/9/2017	\$28,336,513	28,329,478	28,165,077	2.06% H
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.5% Cash + 1.25% PIK	10.75%	1/31/2020	\$30,222,833	29,851,330	28,893,029	2.11%
Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	5.75% Cash + 3% PIK	9.63%	3/31/2019	\$35,627,947	35,263,561	35,538,877	2.60%
Mapp Digital US, LLC	First Lien Term Loan	LIBOR (Q)	-	9.50%	10.35%	12/31/2017	\$ 5,837,798	5,754,455	5,823,203	0.43%
Edmentum, Inc.	Jr Revolving Facility	Fixed	-	5.00%	5.00%	6/9/2020	\$ -	-	-	- B
Edmentum Ultimate Holdings, LLC	Sr PIK Notes	Fixed	-	8.50%	8.50%	6/9/2020	\$ 2,846,243	2,846,243	2,846,246	0.21% B
Edmentum Ultimate Holdings, LLC	Jr PIK Notes	Fixed	-	10.00%	10.00%	6/9/2020	\$13,040,391	12,539,980	12,101,483	0.88% B
Fidelis Acquisitionco, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.0% Cash + 2.0% PIK	9.00%	11/4/2019	\$42,565,572	41,986,034	42,991,228	3.14%
Fidelis Acquisitionco, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00%	9.00%	11/4/2019	\$ 3,182,143	3,182,143	3,213,964	0.24%
Newsycle Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	-	13.00%	13.95%	9/10/2021	\$11,513,361	11,196,782	11,334,905	0.83%
Newsycle Solutions AB (Sweden)	Second Lien Term Loan B	LIBOR (Q)	-	13.00%	13.95%	9/10/2021	\$11,513,362	11,196,782	11,334,905	0.83% H
Soasta, Inc.	Senior Secured 1st Lien Term Loan (4.0% Exit Fee)	LIBOR (M)	-	9.56%	10.50%	4/1/2019	\$17,880,435	17,783,558	19,037,299	1.39% K
Soasta, Inc.	Convertible Promissory Note	Fixed	-	10.00%	10.00%	12/16/2017	\$ 2,282,609	2,282,609	5,504,054	0.40%
Utilidata, Inc.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62%	9.88%	10.69%	1/1/2019	\$ 3,200,000	3,135,670	3,080,000	0.23% K
								205,348,625	209,864,270	15.35%

Textile Furnishings Mills

Lexmark Carpet Mills, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$22,804,525	22,804,525	22,827,329	1.67%
Lexmark Carpet Mills, Inc.	First Lien Term Loan B	LIBOR (Q)	1.00%	10.00%	11.00%	12/19/2019	\$ 7,822,482	7,681,925	7,830,304	0.57%
								30,486,450	30,657,633	2.24%

Utility System Construction

Kawa Solar Holdings Limited (Cayman Islands)	Bank Guarantee Credit Facility	Fixed	-	8.2% Cash + 3.5% PIK	11.70%	7/2/2017	\$21,276,420	21,276,420	21,276,653	1.56% F/H
Kawa Solar Holdings Limited (Cayman Islands)	Revolving Credit Facility	Fixed	-	8.20%	8.20%	7/2/2017	\$ 4,000,000	4,000,000	4,000,000	0.29% F/H
								25,276,420	25,276,653	1.85%

Wholesalers

NILCO, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	9.50%	10.50%	9/1/2021	\$21,023,109	20,424,799	21,601,245	1.58%
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Wired Telecommunications Carriers

Alpheus Communications, LLC	First Lien Delayed Draw FILO	LIBOR (M)	1.00%	7.42%	8.53%	5/31/2018	\$ 332,044	328,743	326,682	0.02%
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	Term Loan										
Alpheus Communications, LLC	First Lien	LIBOR	1.00%	7.42%	8.66%	5/31/2018	\$ 1,355,968	1,346,859	1,328,296	0.10%	
	Delayed Draw	(M)									
	Term Loan										
Alpheus Communications, LLC	First Lien	LIBOR	1.00%	7.42%	8.42%	5/31/2018	\$ 7,255,721	7,183,589	7,139,992	0.52%	
	FILO Term	(M)									
	Loan										
Integra Telecom Holdings, Inc.	Second Lien	LIBOR	1.25%	8.50%	9.75%	2/22/2020	\$13,231,193	13,084,285	13,313,989	0.97% G	
	Term	(Q)									
	Loan										
U.S. TelePacific Corp.	First Lien	LIBOR	1.00%	8.50%	9.50%	2/24/2021	\$10,000,000	9,715,362	10,000,000	0.73%	
	Notes	(Q)									
								<u>31,658,838</u>	<u>32,108,959</u>	<u>2.34%</u>	
Wireless Telecommunications Carriers											
Gogo, LLC	Sr Secured	Fixed	-	12.50%	12.50%	7/1/2022	\$10,000,000	10,000,000	10,900,000	0.80% E/G	
	Notes										
Total Debt Investments								<u>1,254,861,949</u>	<u>1,248,887,808</u>	<u>91.25%</u>	

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities											
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	Warrants to Purchase Stock						562,496	\$ 230,569	\$ 87,356	0.01%	C/E/H
Air Transportation											
Aircraft Leased to United Airlines, Inc.											
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683	3,250,956	3,191,938	0.23%	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	3,376,251	3,266,101	0.24%	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843	855,313	1,909,600	0.14%	C/E
								7,482,520	8,367,639	0.61%	
Business Support Services											
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01%	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	1,112,351	0.08%	C/E
								556,370	1,255,484	0.09%	
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	274,213	875	-	C/E
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	611,920	0.05%	C/E
								879,479	612,795	0.05%	
Communications Equipment Manufacturing											
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units						5,000,000	5,000,000	1,530,000	0.11%	B/C/E
Computer Systems Design and Related Services											
Waterfall International, Inc.	Series B Preferred Stock						1,428,571	1,000,000	1,145,286	0.08%	C/E
Waterfall International, Inc.	Warrants to Purchase Stock						920,000	89,847	175,168	0.01%	C/E
								1,089,847	1,320,454	0.09%	
Data Processing and Hosting Services											
Anacomp, Inc.	Class A Common Stock						1,255,527	26,711,048	1,205,306	0.09%	C/E/F
Rightside Group, Ltd.	Warrants						498,855	2,778,622	366,489	0.03%	C/E
								29,489,670	1,571,795	0.12%	
Electrical Equipment Manufacturing											
NEXTracker, Inc.	Series B Preferred Stock						558,884	-	1,727,622	0.13%	E
NEXTracker, Inc.	Series C Preferred Stock						17,640	-	54,525	-	E
								-	1,782,147	0.13%	
Electronic Component Manufacturing											
Soraa, Inc.	Warrants to Purchase Common Stock						3,071,860	478,899	5,222	-	C/E

Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50%	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01%	C/E/F
			<u>6,922,295</u>	<u>6,977,942</u>	<u>0.51%</u>	
Financial Investment Activities						
GACP I, LP	Membership Units	16,615,951	16,735,088	16,866,903	1.23%	C/E/I
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	-	C/E/I
			<u>16,907,782</u>	<u>16,868,590</u>	<u>1.23%</u>	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	-	210,035	0.02%	B/E
Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	1,235,194	1,292,023	0.09%	C/E
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,551,056	0.11%	C/E
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	196,086	0.01%	C/E
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	198,032	0.02%	C/E
			<u>3,166,925</u>	<u>3,237,197</u>	<u>0.23%</u>	
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082	95,502	0.01%	C/E/H
Other Manufacturing						
AGY Holding Corp.	Common Stock	1,333,527	-	-	-	B/C/E
Boomerang Tube Holdings, Inc.	Common Stock	24,288	243	-	-	C/E
KAGY Holding Company, Inc.	Series A Preferred Stock	9,778	1,091,200	4,607,246	0.34%	B/C/E
			<u>1,091,443</u>	<u>4,607,246</u>	<u>0.34%</u>	
Radio and Television Broadcasting						
Fuse Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	-	-	C/E
Restaurants						
RM Holdco, LLC (Real Mex)	Equity Participation	24	-	-	-	B/C/E
RM Holdco, LLC (Real Mex)	Membership Units	13,161,000	2,010,777	-	-	B/C/E
			<u>2,010,777</u>	<u>-</u>	<u>-</u>	
Retail						
Shop Holding, LLC (Connexity)	Class A Units	507,167	480,049	-	-	C/E

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Software Publishing											
Blackline Intermediate, Inc.	Warrants to Purchase Common Stock						246,546	\$ 522,678	\$ 5,300,373	0.39%	C/E
Edmentum Ultimate Holdings, LLC	Class A Common Units						159,515	680,226	1,123,591	0.08%	B/C/E
Soasta, Inc.	Warrants to Purchase Series F Preferred Stock						1,251,630	533,192	794,535	0.06%	C/E
Utilidata, Inc.	Warrants to Purchase Stock						719,998	216,336	204,983	0.01%	C/E
								<u>1,952,432</u>	<u>7,423,482</u>	<u>0.54%</u>	
Utility System Construction											
Kawa Solar Holdings Limited (Cayman Islands)	Ordinary Shares						2,332,594	-	-	-	C/E/F/H
Kawa Solar Holdings Limited (Cayman Islands)	Series B Preferred Shares						93,023	1,395,349	1,395,350	0.10%	C/E/F/H
								<u>1,395,349</u>	<u>1,395,350</u>	<u>0.10%</u>	
Wired Telecommunications Carriers											
Integra Telecom, Inc.	Common Stock						1,274,522	8,433,884	6,533,964	0.48%	C/E
Integra Telecom, Inc.	Warrants						346,939	19,920	-	-	C/E
V Telecom Investment S.C.A. (Vivacom) (Luxembourg)	Common Shares						1,393	3,236,256	2,199,862	0.16%	C/D/E/H
								<u>11,690,060</u>	<u>8,733,826</u>	<u>0.64%</u>	
Total Equity Securities								<u>91,203,870</u>	<u>66,082,062</u>	<u>4.83%</u>	
Total Investments								<u>\$ 1,346,065,819</u>	<u>\$ 1,314,969,870</u>		
Cash and Cash Equivalents											
	Cash Held on Account at Various Institutions								53,579,868	3.92%	
Cash and Cash Equivalents									<u>53,579,868</u>	<u>3.92%</u>	
Total Cash and Investments									<u>\$ 1,368,549,738</u>	<u>100.00%</u>	L

Notes to Consolidated Schedule of Investments:

- (A) 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.
- (B) 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.
- (C) Non-income producing security.

- (D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure.
- (E) Restricted security. (See Note 2)
- (F) 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% of the outstanding voting securities of the issuer nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.
- (G) Investment has been segregated to collateralize certain unfunded commitments.
- (H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (I) Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
- (J) Negative balances relate to an unfunded commitment that was acquired and/or valued at a discount.
- (K) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.
- (L) All cash and investments, except those referenced in Notes G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$587,219,129 and \$473,457,512, respectively, for the year ended December 31, 2016. 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, 2016 was \$1,311,625,473 or 96.1% of total cash and investments of the Company. As of December 31, 2016, approximately 16.4% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,	
	2017	2016
Investment income		
Interest income:		
Companies less than 5% owned	\$ 35,418,453	\$ 30,810,782
Companies 5% to 25% owned	1,726,423	1,532,728
Companies more than 25% owned	1,635,334	531,013
Lease income:		
Companies more than 25% owned	74,457	776,071
Other income:		
Companies less than 5% owned	488,347	938,688
Total investment income	<u>39,343,014</u>	<u>34,589,282</u>
Operating expenses		
Interest and other debt expenses	7,755,027	5,545,281
Management and advisory fees	4,934,041	4,504,084
Administrative expenses	589,561	421,736
Legal fees, professional fees and due diligence expenses	277,721	502,695
Director fees	159,970	107,924
Insurance expense	107,960	100,934
Custody fees	81,887	80,526
Other operating expenses	554,959	455,723
Total operating expenses	<u>14,461,126</u>	<u>11,718,903</u>
Net investment income	24,881,888	22,870,379
Net realized and unrealized gain (loss) on investments and foreign currency		
Net realized gain (loss):		
Investments in companies less than 5% owned	(5,087,458)	(2,943,705)
Investments in companies 5% to 25% owned	-	315,053
Net realized loss	<u>(5,087,458)</u>	<u>(2,628,652)</u>
Change in net unrealized appreciation/depreciation	4,617,498	(4,194,601)
Net realized and unrealized loss	<u>(469,960)</u>	<u>(6,823,253)</u>
Net increase in net assets from operations	<u>24,411,928</u>	<u>16,047,126</u>
Distributions of incentive allocation to the General Partner from:		
Net investment income	<u>(4,976,378)</u>	<u>(4,574,076)</u>
Net increase in net assets applicable to common shareholders resulting from operations	<u>\$ 19,435,550</u>	<u>\$ 11,473,050</u>
Basic and diluted earnings per common share	<u>\$ 0.37</u>	<u>\$ 0.24</u>
Basic and diluted weighted average common shares outstanding	<u>53,041,902</u>	<u>48,746,521</u>

TCP Capital Corp.

Consolidated Statements of Changes in Net Assets (Unaudited)

	Common Stock		Paid in Capital in Excess of Par	Accumulated Net Investment Income	Accumulated Net Realized Losses	Accumulated Net Unrealized Depreciation	Total Net Assets
	Shares	Par Amount					
Balance at December 31, 2015	48,834,734	\$ 48,834	\$ 878,383,356	\$ 22,261,793	\$ (132,483,593)	\$ (46,233,373)	\$ 721,977,017
Issuance of common stock in public offering, net	2,336,552	2,337	34,956,233	-	-	-	34,958,570
Issuance of common stock from conversion of convertible debt	2,011,900	2,012	30,216,726	-	-	-	30,218,738
Issuance of common stock from dividend reinvestment plan	610	-	9,657	-	-	-	9,657
Equity component of issuance of convertible debt	-	-	3,309,596	-	-	-	3,309,596
Repurchase of common stock	(141,896)	(141)	(1,879,407)	-	-	-	(1,879,548)
Net investment income	-	-	-	95,253,322	-	-	95,253,322
Net realized and unrealized loss	-	-	-	-	(15,002,148)	15,116,650	114,502
General Partner incentive allocation	-	-	-	(19,050,665)	-	-	(19,050,665)
Regular dividends paid to common shareholders	-	-	-	(73,975,198)	-	-	(73,975,198)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	-	-	(569,511)	(11,955,963)	12,525,474	-	-
Balance at December 31, 2016	53,041,900	\$ 53,042	\$ 944,426,650	\$ 12,533,289	\$ (134,960,267)	\$ (31,116,723)	\$ 790,935,991
Issuance of common stock from dividend reinvestment plan	147	-	2,564	-	-	-	2,564
Net investment income	-	-	-	24,881,888	-	-	24,881,888
Net realized and unrealized loss	-	-	-	-	(5,087,458)	4,617,498	(469,960)
General Partner incentive allocation	-	-	-	(4,976,378)	-	-	(4,976,378)
Regular dividends paid to common shareholders	-	-	-	(19,095,084)	-	-	(19,095,084)
Balance at March 31, 2017	53,042,047	\$ 53,042	\$ 944,429,214	\$ 13,343,715	\$ (140,047,725)	\$ (26,499,225)	\$ 791,279,021

TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March 31,	
	2017	2016
Operating activities		
Net increase in net assets applicable to common shareholders resulting from operations	\$ 19,435,550	\$ 11,473,050
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash used in operating activities:		
Net realized loss	5,087,458	2,628,652
Change in net unrealized appreciation/depreciation of investments	(4,617,449)	4,197,741
Net amortization of investment discounts and premiums	(4,313,547)	(2,490,749)
Amortization of original issue discount on convertible debt	249,039	107,594
Interest and dividend income paid in kind	(3,508,567)	(1,701,577)
Amortization of deferred debt issuance costs	827,718	631,010
Changes in assets and liabilities:		
Purchases of investment securities	(136,284,513)	(112,636,204)
Proceeds from sales, maturities and pay downs of investments	117,033,249	66,139,802
Decrease (increase) in accrued interest income - companies less than 5% owned	2,282,423	(1,190,865)
Increase in accrued interest income - companies 5% to 25% owned	(430,233)	(1,011,550)
Decrease (increase) in accrued interest income - companies more than 25% owned	7,275	(480,715)
Decrease in prepaid expenses and other assets	265,980	1,096,429
Decrease in payable for investments purchased	(10,292,325)	(1,139,843)
Increase (decrease) in incentive allocation payable	259,544	(633,530)
Increase (decrease) in interest payable	(342,150)	1,240,132
Increase in payable to the Advisor	200,077	174,636
Decrease in accrued expenses and other liabilities	(382,381)	(1,002,556)
Net cash used in operating activities	<u>(14,522,852)</u>	<u>(34,598,543)</u>
Financing activities		
Borrowings	84,000,000	101,700,000
Repayments of debt	(48,000,000)	(60,500,000)
Payments of debt issuance costs	-	(150,350)
Regular dividends paid to common shareholders	(19,095,084)	(17,530,963)
Repurchase of common shares	-	(1,860,737)
Proceeds from shares issued in connection with dividend reinvestment plan	2,564	2,291
Net cash provided by financing activities	<u>16,907,480</u>	<u>21,660,241</u>
Net increase (decrease) in cash and cash equivalents	2,384,628	(12,938,302)
Cash and cash equivalents at beginning of period	53,579,868	35,629,435
Cash and cash equivalents at end of period	<u>\$ 55,964,496</u>	<u>\$ 22,691,133</u>
Supplemental cash flow information		
Interest payments	\$ 6,628,691	\$ 3,345,864
Excise tax payments	\$ 528,603	\$ 877,879

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)

March 31, 2017

1. Organization and Nature of Operations

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

Investment operations are conducted in Special Value Continuation Partners, LP, a Delaware limited partnership (the “Operating Company”), of which the Company owns 100% of the common limited partner interests, or in one of the Operating Company’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 Operating Company 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 Operating Company, 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 Operating Company, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes.

The general partner of the Operating Company is Series H of SVOF/MM, LLC, which also serves as the administrator of both the Company and the Operating Company (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 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.

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP 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 consolidated financial statements, as well the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Investment Valuation

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

All investments are valued at least quarterly based on quotations or other affirmative pricing from independent third-party sources, with the exception of investments priced directly by the Advisor which in the aggregate comprise less than 5% of the capitalization of the Operating Company. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued using the closing price on the date of valuation.

Investments not listed on a recognized exchange or market quotation system, but for which reliable market quotations are readily available are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

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

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

Generally, to increase objectivity in valuing the investments, the Advisor will utilize external measures of value, such as public markets or third-party transactions, whenever possible. The Advisor's valuation is not based on long-term work-out value, immediate liquidation value, nor incremental value for potential changes that may take place in the future. The values assigned to investments 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 liquidated. The foregoing policies apply to all investments, including any 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. Such information may include observed multiples of earnings and/or revenues at which transactions in securities of comparable companies occur, with appropriate adjustments for differences in company size, operations or other factors affecting comparability.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

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. The discount rates used for such analyses reflect market yields for comparable investments, considering such factors as relative credit quality, capital structure, and other factors.

In following these approaches, the types of factors that may be taken into account also include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, 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 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, comparable costs of capital, the principal market in which the investment trades and enterprise values, among other factors.

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

At March 31, 2017, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	\$ —	\$ —	\$ 40,032
2	Other direct and indirect observable market inputs *	82,368,710	19,726,902	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,067,034,003	104,393,541	61,792,694
3	Advisor valuations with significant unobservable inputs	84,659	—	3,069,245
Total		<u>\$ 1,149,487,372</u>	<u>\$ 124,120,443</u>	<u>\$ 64,901,971</u>

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of March 31, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	\$ 884,784,691	Income approach	Discount rate	5.9% – 21.1% (12.0%)
	127,803,104	Market quotations	Indicative bid/ask quotes	1 – 2 (1)
	25,733,093	Market comparable companies	Revenue multiples	0.4x – 3.0x (1.3x)
	28,797,774	Market comparable companies	EBITDA multiples	7.3x – 10.8x (8.4x)
Other Corporate Debt	2,088,855	Income approach	Discount rate	20.0% (20.0%)
	90,947,831	Market quotations	Indicative bid/ask quotes	1 – 7 (3)
	11,356,855	Market comparable companies	EBITDA multiples	7.5x – 10.5x (8.0x)
Equity	6,251,775	Income approach	Discount rate	5.2% (5.2%)
	40,709,651	Market quotations	Indicative bid/ask quotes	1(1)
	3,847,176	Market comparable companies	Revenue multiples	0.3x – 3.5x (2.0x)
	14,053,337	Market comparable companies	EBITDA multiples	3.4x – 10.8x (8.5x)
	<u>\$ 1,236,374,142</u>			

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

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:

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount rate	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease

Changes in investments categorized as Level 3 during the three months ended March 31, 2017 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ 1,036,044,457	\$ 101,934,853	\$ 64,521,901
Net realized and unrealized gains (losses)	(2,372,273)	(2,281,934)	3,011,057
Acquisitions *	130,716,787	5,740,622	6,574,305
Dispositions	(86,461,034)	(1,000,000)	(10,532,422)
Transfers out of Level 3 †	(10,893,934)	—	—
Reclassifications within Level 3 ‡	—	—	(1,782,147)
Ending balance	\$ 1,067,034,003	\$ 104,393,541	\$ 61,792,694
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)	\$ (162,178)	\$ (2,281,934)	\$ 2,546,898

* Includes payments received in kind and accretion of original issue and market discounts

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

‡ Comprised of two investments that reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ 107,199	\$ —	\$ 1,560,161
Net realized and unrealized gains (losses)	(678)	—	(273,063)
Acquisitions *	(21,862)	—	—
Reclassifications within Level 3 †	—	—	1,782,147
Ending balance	\$ 84,659	\$ —	\$ 3,069,245
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)	\$ (678)	\$ —	\$ (273,063)

* Includes payments received in kind and accretion of original issue and market discounts

† Comprised of two investments that reclassified from Independent Third-Party Valuation

There were no transfers between Level 1 and 2 during the three months ended March 31, 2017.

At December 31, 2016, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	\$ —	\$ —	\$ —
2	Other direct and indirect observable market inputs *	89,800,173	21,001,126	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,036,044,457	101,934,853	64,521,901
3	Advisor valuations with significant unobservable inputs	107,199	—	1,560,161
Total		\$ 1,125,951,829	\$ 122,935,979	\$ 66,082,062

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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2016 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	\$ 847,311,244	Income approach	Discount rate	6.9% – 19.4% (12.1%)
	136,116,277	Market quotations	Indicative bid/ask quotes	1 – 2 (1)
	24,851,412	Market comparable companies	Revenue multiples	0.4x – 2.6x (1.0x)
Other Corporate Debt	27,872,723	Market comparable companies	EBITDA multiples	7.3x – 11.0x (8.4x)
	88,163,213	Market quotations	Indicative bid/ask quotes	1 (1)
	13,771,640	Market comparable companies	EBITDA multiples	7.6x – 7.8x (7.7x)
Equity	6,617,084	Income approach	Discount rate	7.3% – 26.2% (7.7%)
	41,442,919	Market quotations	Indicative bid/ask quotes	1(1)
	1,767,102	Market comparable companies	Revenue multiples	0.3x – 2.6x (1.6x)
	16,254,957	Market comparable companies	EBITDA multiples	5.0x – 11.0x (7.7x)
	<u>\$ 1,204,168,571</u>			

Changes in investments categorized as Level 3 during the three months ended March 31, 2016 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ 907,967,337	\$ 89,314,530	\$ 49,956,123
Net realized and unrealized gains (losses)	(500,731)	(1,814,130)	(1,824,669)
Acquisitions *	96,257,687	9,051,348	6,573,744
Dispositions	(61,198,449)	—	(2,910,789)
Transfers into Level 3 †	31,716,003	—	—
Ending balance	<u>\$ 974,241,847</u>	<u>\$ 96,551,748</u>	<u>\$ 51,794,409</u>
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)	\$ (323,387)	\$ (1,814,130)	\$ (1,905,613)

* Includes payments received in kind and accretion of original issue and market discounts

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$ 1,124,504	\$ —	\$ 2,428,217
Net realized and unrealized gains (losses)	(756,370)	—	(71,628)
Acquisitions *	1,050,297	—	243
Dispositions	(1,101,994)	—	(315,053)
Ending balance	<u>\$ 316,437</u>	<u>\$ —</u>	<u>\$ 2,041,779</u>
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)	\$ (714,303)	\$ —	\$ (386,681)

* Includes payments received in kind and accretion of original issue and market discounts

There were no transfers between Level 1 and 2 during the three months ended March 31, 2016.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

Investment Transactions

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

Cash and Cash Equivalents

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

Restricted Investments

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

Foreign Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.2% and 0.2% of total investments at March 31, 2017 and December 31, 2016, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at March 31, 2017 and December 31, 2016 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

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

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Operating Company may enter into certain derivative transactions. All derivatives are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. 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 currencies relative to the U.S. dollar. Certain derivatives may also require the Company to pledge assets as collateral to secure its obligations. There were no derivative transactions during the three months ended March 31, 2017, and, as of March 31, 2017, no derivatives were outstanding.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

During the three months ended March 31, 2016, the Company entered into a GBP put option with a notional amount of £2.7 million. At March 31, 2016, the Company also held an interest rate cap with a notional amount of \$25.0 million and a cross currency basis swap with a notional amount of \$16.4 million. The put option and interest rate cap are reported in the Consolidated Statements of Assets and Liabilities as options. The cross currency basis swap is reported in the Consolidated Statements of Assets and Liabilities as unrealized appreciation on swaps. Gains and losses from derivatives during the three months ended March 31, 2016 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Put option	\$ —	\$ (46,965)
Cross currency basis swap	—	(594,927)
Interest rate cap	—	—

Valuations of derivatives are 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.

Deferred Debt Issuance Costs

Costs of approximately \$4.1 million were incurred in September 2016 in connection with placing the Company's unsecured convertible notes (see Note 4). Costs of approximately \$1.8 million were incurred during 2015 in connection with the extension of the Operating Company's credit facility (see Note 4). Costs of approximately \$1.9 million were incurred during 2015 in connection with placing and extending TCPC Funding's revolving credit facility (see Note 4). Costs of approximately \$1.2 million and \$0.4 million were incurred during the year ended December 31, 2016 and year ended December 31, 2015, respectively, in connection with placing the SBA Debentures (see Note 4). These costs were deferred and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company.

Revenue Recognition

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

Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate bonds are generally amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

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 Operating Company, 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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

31, 2017, all tax years of the Company, the Operating Company, TCPC Funding and the SBIC since January 1, 2013 remain subject to examination by federal tax authorities. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of the Company’s investments (including derivatives) for U.S. federal income tax purposes at March 31, 2017 and December 31, 2016 were as follows:

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Unrealized appreciation	\$ 41,927,289	\$ 33,945,996
Unrealized depreciation	(68,405,790)	(65,041,945)
Net unrealized depreciation	<u>\$ (26,478,501)</u>	<u>\$ (31,095,949)</u>
Cost	\$ 1,364,988,287	\$ 1,346,065,819

Recent Accounting Pronouncements

During the first quarter of 2016, the Company adopted Financial Accounting Standards Board (the “FASB”) Accounting Standards Update (“ASU”) 2015-02, *Amendments to the Consolidation Analysis*. In particular, the new pronouncement changed the manner in which a reporting entity evaluates whether 1) an entity is a variable interest entity (“VIE”), 2) fees paid to decision makers or service providers are variable interests in a VIE, and 3) variable interests in a VIE held by related parties require the reporting entity to consolidate the VIE. The pronouncement also introduced a separate consolidation analysis specific to limited partnerships and similar entities. ASU 2015-02 also eliminated the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. The adoption of this pronouncement did not have a material impact on the Company’s consolidated financial statements.

The Company also adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs* as well as ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015*. Together, these ASUs required, in most cases, that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. Debt issuance costs incurred in connection with line-of-credit arrangements, however, may continue to be presented as an asset in the balance sheet. As of March 31, 2017 and December 31, 2016, \$7.8 million and \$8.2 million in debt issuance costs, respectively, were included in debt in the Consolidated Statements of Assets and Liabilities.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. Under this new pronouncement, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all entities and, for public entities, is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early application is permitted, but no earlier than annual periods beginning after December 15, 2016 and interim periods within that reporting period. The Company does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

On January 5, 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*. The more significant changes to the current GAAP model resulting from ASU 2016-01 include 1) elimination of the requirement to disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost, 2) requiring public entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes and 3) requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. ASU 2016-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The Company does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

2. Summary of Significant Accounting Policies – (continued)

On March 30, 2017, the FASB issued ASU 2017-08, *Premium Amortization on Purchased Callable Debt Securities*, which amends the amortization period for certain callable debt securities purchased at a premium, shortening the period to the earliest call date. ASU 2017-08 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application is permitted. The Company does not expect the adoption of this pronouncement to have a material impact on the Company's consolidated financial statements.

3. Management Fees, Incentive Compensation and Other Expenses

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

Incentive compensation is only paid to the extent the total performance of the Company exceeds a cumulative 8% annual return since January 1, 2013 (the "Total Return Hurdle"). Beginning January 1, 2013, the incentive compensation equals 20% of net investment income (reduced by preferred dividends) and 20% of net realized gains (reduced by any net unrealized losses), subject to the Total Return Hurdle. The incentive compensation is payable quarterly in arrears as an allocation and distribution to the General Partner and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is accrued based on the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. The General Partner's equity interest in the Operating Company is comprised entirely of such reserve amount, if any. As of March 31, 2017 and December 31, 2016, no such reserve was accrued.

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

4. Leverage

Leverage is comprised of convertible senior unsecured notes due December 2019 issued by the Company (the "2019 Convertible Notes"), convertible senior unsecured notes due March 2022 issued by the Company (the "2022 Convertible Notes"), amounts outstanding under a term loan issued by the Operating Company (the "Term Loan"), amounts outstanding under a senior secured revolving credit facility issued by the Operating Company (the "SVCP Revolver" and together with the Term Loan, the "SVCP Facility"), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the "TCPC Funding Facility"), debentures guaranteed by the SBA (the "SBA Debentures"), and, prior to the repurchase and retirement of remaining interests on September 3, 2015, amounts outstanding under a preferred equity facility issued by the Operating Company (the "Preferred Interests"). From April 18, 2016 through its conversion to common equity on June 7, 2016, leverage also included a privately placed convertible senior unsecured note due April 2021 issued by the Company (the "CNO Note").

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

4. Leverage – (continued)

Total leverage outstanding and available at March 31, 2017 was as follows:

	<u>Maturity</u>	<u>Rate</u>	<u>Carrying Value *</u>	<u>Available</u>	<u>Total Capacity</u>
SVCP Facility					
SVCP Revolver	2018	L+2.50% †	\$ 36,000,000	\$ 80,000,000	\$ 116,000,000
Term Loan	2018	L+2.50% †	100,500,000	—	100,500,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	106,661,798	—	106,661,798
2022 Convertible Notes (\$140 million par)	2022	4.625%	136,993,529	—	136,993,529
TCPC Funding Facility	2020	L+2.50% ‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024–2026	2.58% §	61,000,000	89,000,000	150,000,000
Total leverage			616,155,327	\$ 344,000,000	\$ 960,155,327
Unamortized issuance costs			(7,798,658)		
Debt, net of unamortized issuance costs			\$ 608,356,669		

* Except for the convertible notes, all carrying values are the same as the principal amounts outstanding.

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

‡ Or L+2.25% subject to certain funding requirements

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

Total leverage outstanding and available at December 31, 2016 was as follows:

	<u>Maturity</u>	<u>Rate</u>	<u>Carrying Value *</u>	<u>Available</u>	<u>Total Capacity</u>
SVCP Facility					
SVCP Revolver	2018	L+2.50% †	\$ —	\$ 116,000,000	\$ 116,000,000
Term Loan	2018	L+2.50% †	100,500,000	—	100,500,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	106,547,929	—	106,547,929
2022 Convertible Notes (\$140 million par)	2022	4.625%	136,858,359	—	136,858,359
TCPC Funding Facility	2020	L+2.50% ‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024–2026	2.58% §	61,000,000	89,000,000	150,000,000
Total leverage			579,906,288	\$ 380,000,000	\$ 959,906,288
Unamortized issuance costs			(8,247,426)		
Debt, net of unamortized issuance costs			\$ 571,658,862		

* Except for the convertible notes, all carrying values are the same as the principal amounts outstanding.

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

‡ Or L+2.25% subject to certain funding requirements

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

The combined weighted-average interest rates on total leverage outstanding at March 31, 2017 and December 31, 2016 were 3.99% and 3.95%, respectively.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

4. Leverage – (continued)

Total expenses related to debt include:

	Three Months Ended March 31,	
	2017	2016
Interest expense	\$ 6,535,580	\$ 4,693,590
Amortization of deferred debt issuance costs	827,718	630,010
Commitment fees	391,729	220,681
Total	<u>\$ 7,755,027</u>	<u>\$ 5,545,281</u>

Amounts outstanding under the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of March 31, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes and the 2022 Convertible Notes had estimated fair values of \$113.3 million and \$141.4 million, respectively. The estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures were determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. The estimated fair values of the convertible notes were determined using market quotations. At March 31, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Notes

On June 11, 2014, the Company issued \$108.0 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The 2019 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2019 Convertible Notes prior to maturity. The 2019 Convertible Notes bear interest at an annual rate of 5.25%, payable semi-annually. In certain circumstances, the 2019 Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 50.9100 shares of common stock per one thousand dollar principal amount, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 12.5% above the \$17.46 per share closing price of the Company's common stock on June 11, 2014. At March 31, 2017, the principal amount of the 2019 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

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

On August 30, 2016, the Company issued \$140.0 million of convertible senior unsecured notes that mature on March 1, 2022, unless previously converted or repurchased in accordance with their terms. The 2022 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2022 Convertible Notes prior to maturity. The 2022 Convertible Notes bear interest at an annual rate of 4.625%, payable semi-annually. In certain circumstances, the 2022 Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 54.5019 shares of common stock per one thousand dollar principal amount of the 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately \$18.35 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 10.0% above

4. Leverage – (continued)

the \$16.68 per share closing price of the Company's common stock on August 30, 2016. At March 31, 2017, the principal amount of the 2022 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

Prior to the close of business on the business day immediately preceding September 1, 2021, holders may convert their 2022 Convertible Notes only under certain circumstances set forth in the indenture governing the terms of the 2022 Convertible Notes. On or after September 1, 2021 until the close of business on the scheduled trading day immediately preceding March 1, 2022, holders may convert their 2022 Convertible Notes at any time. Upon conversion, the Company will pay or deliver, as the case may be, at its election, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, subject to the requirements of the indenture.

The 2019 Convertible Notes and 2022 Convertible Notes are accounted for in accordance with ASC Topic 470-20 – *Debt with Conversion and Other Options*. Upon conversion of any of the 2019 Convertible Notes or the 2022 Convertible Notes, the Company intends to pay the outstanding principal amount in cash and, to the extent that the conversion value exceeds the principal amount, has the option to pay the excess amount in cash or shares of the Company's common stock (or a combination of cash and shares), subject to the requirements of the respective indenture. The Company has determined that the embedded conversion options in the 2019 Convertible Notes and 2022 Convertible Notes are not required to be separately accounted for as derivatives under GAAP. At the time of issuance the estimated values of the debt and equity components of the 2019 Convertible Notes were approximately 97.7% and 2.3%, respectively. At the time of issuance the estimated values of the debt and equity components of the 2022 Convertible Notes were approximately 97.6% and 2.4%, respectively.

The original issue discounts equal to the equity components of the 2019 Convertible Notes and 2022 Convertible Notes were recorded in "paid-in capital in excess of par" in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company records interest expense comprised of both stated interest and amortization of the original issue discounts. At the time of issuance, the equity components of the 2019 Convertible Notes and the 2022 Convertible Notes were \$2.5 million and \$3.3 million, respectively. As of March 31, 2017 and December 31, 2016, the components of the carrying value of the 2019 Convertible Notes and 2022 Convertible Notes were as follows:

	March 31, 2017		December 31, 2016	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Principal amount of debt	\$ 108,000,000	\$ 140,000,000	\$ 108,000,000	\$ 140,000,000
Original issue discount, net of accretion	(1,338,202)	(3,006,471)	(1,452,071)	(3,141,641)
Carrying value of debt	<u>\$ 106,661,798</u>	<u>\$ 136,993,529</u>	<u>\$ 106,547,929</u>	<u>\$ 136,858,359</u>

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

4. Leverage – (continued)

For the three months ended March 31, 2017 and 2016, the components of interest expense for the convertible notes were as follows:

	Three Months Ended March 31,			
	2017		2016	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Stated interest expense	\$ 1,417,500	\$ 1,636,736	\$ 1,417,500	N/A
Amortization of original issue discount	113,869	135,170	107,594	N/A
Total interest expense	<u>\$ 1,531,369</u>	<u>\$ 1,771,906</u>	<u>\$ 1,525,094</u>	<u>N/A</u>

The estimated effective interest rate of the debt component of the 2019 Convertible Notes, equal to the stated interest of 5.25% plus the accretion of the original issue discount, was approximately 5.75% for the three months ended March 31, 2017 and March 31, 2016. The estimated effective interest rate of the debt component of the 2022 Convertible Notes, equal to the stated interest of 4.625% plus the accretion of the original issue discount, was approximately 5.125% for the three months ended March 31, 2017.

SVCP Facility

The SVCP Facility consists of a \$100.5 million fully-drawn senior secured term loan and a senior secured revolving credit facility which provides for amounts to be drawn up to \$116.0 million, subject to certain collateral and other restrictions. The SVCP Facility matures on July 31, 2018. Most of the cash and investments held directly by the Operating Company, as well as the net assets of TCPC Funding and the SBIC, are included in the collateral for the facility.

Advances under the SVCP Facility through July 31, 2014 bore interest at an annual rate equal to 0.44% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility for periods from July 31, 2014 through September 3, 2015 bore interest at an annual rate equal to 2.50% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility from September 3, 2015 through July 31, 2016 bore interest at an annual rate equal to 1.75% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility from July 31, 2016 through the maturity date of the facility bear interest at an annual rate of 2.50% 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 SVCP Revolver 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 Operating Company fail to satisfy certain financial or other covenants. As of March 31, 2017, the Operating Company was in full compliance with such covenants.

SBA Debentures

As of March 31, 2017, the SBIC was able to issue up to \$150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of March 31, 2017, the Operating Company had committed \$75.0 million of regulatory capital to the SBIC, all of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of LIBOR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

4. Leverage – (continued)

SBA Debentures outstanding as of March 31, 2017 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	\$ 18,500,000	3.02%	0.36%
March 25, 2015	March 1, 2025	9,500,000	2.52%	0.36%
September 23, 2015	September 1, 2025	10,800,000	2.83%	0.36%
March 23, 2016	March 1, 2026	4,000,000	2.51%	0.36%
September 21, 2016	September 1, 2026	18,200,000	2.05%	0.36%
		<u>\$ 61,000,000</u>	2.58%*	

* Weighted-average interest rate

SBA Debentures outstanding as of December 31, 2016 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	\$ 18,500,000	3.02%	0.36%
March 25, 2015	March 1, 2025	9,500,000	2.52%	0.36%
September 23, 2015	September 1, 2025	10,800,000	2.83%	0.36%
March 23, 2016	March 1, 2026	4,000,000	2.51%	0.36%
September 21, 2016	September 1, 2026	18,200,000	2.05%	0.36%
		<u>\$ 61,000,000</u>	2.58%*	

* Weighted-average interest rate

TCPC Funding Facility

The TCPC Funding Facility is a senior secured revolving credit facility which provides for amounts to be drawn up to \$350.0 million, subject to certain collateral and other restrictions. The facility matures on March 6, 2020, subject to extension by the lender at the request of TCPC Funding. The facility contains an accordion feature which allows for expansion of the facility to up to \$400.0 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.

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus either 2.25% or 2.50% per annum, subject to certain funding requirements, plus an administrative fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 0.75% per annum when the unused portion is greater than 33% of the total facility, plus an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of March 31, 2017, TCPC Funding was in full compliance with such covenants.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

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

The Operating Company, 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 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 Operating Company, 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 Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at March 31, 2017 and December 31, 2016 as follows:

Issuer	Maturity	Unfunded Balances	
		March 31, 2017	December 31, 2016
Alera Group Intermediate Holdings, Inc.	12/30/2021	\$ 833,333	\$ 833,333
Alera Group Intermediate Holdings, Inc.	12/30/2022	759,547	759,547
Alpheus Communications, LLC	5/31/2018	357,419	357,419
AP Gaming I, LLC	12/20/2018	12,500,000	12,500,000
Asset International, Inc.	7/31/2020	1,325,721	1,325,721
Auto Trakk SPV, LLC	12/21/2021	3,827,058	3,827,058
Avanti Communications Group, PLC	11/30/2022	751,292	N/A
Bisnow, LLC	4/29/2021	1,200,000	1,200,000
Caliber Home Loans, Inc.	6/30/2020	5,555,556	6,666,667
Edmentum, Inc.	6/9/2020	1,263,220	3,368,586
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	4,000,000
GlassPoint Solar, Inc.	8/1/2020	16,000,000	N/A
Hylan Datacom & Electrical, LLC	7/25/2016	N/A	1,247,989
iGM RFE1 B.V.	10/12/2021	N/A	855,935
InMobi, Inc.	9/1/2018	N/A	7,500,000
Marketo, Inc.	8/16/2016	1,704,545	1,704,545
Mesa Airlines, Inc.	2/28/2022	N/A	9,268,182
Mesa Airlines, Inc.	12/31/2022	9,731,591	9,731,591
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	671,356	671,356
Tradeshift Holdings, Inc.	9/1/2020	12,999,918	N/A
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Total Unfunded Balances		<u>\$ 74,336,720</u>	<u>\$ 66,674,093</u>

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

6. Related Party Transactions

The Company, the Operating Company, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Operating Company advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. At March 31, 2017 and December 31, 2016, no such amounts were outstanding. From time to time, the Advisor advances payments to third parties on behalf of the Company and the Operating Company and receives reimbursement from the Company and the Operating Company. At March 31, 2017 and December 31, 2016, amounts reimbursable to the Advisor totaled \$0.5 million and \$0.3 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to administration agreements between the Administrator and each of the Company and the Operating Company (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 Operating Company, 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 Operating Company. For the three months ended March 31, 2017 and 2016, expenses allocated pursuant to the Administration Agreements totaled \$0.6 million and \$0.4 million, respectively.

7. Stockholders’ Equity and Dividends

The following table summarizes the total shares issued and proceeds received in public offerings 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 three months ended March 31, 2017:

	<u>Shares Issued</u>	<u>Price Per Share</u>	<u>Net Proceeds</u>
Shares issued from dividend reinvestment plan	147	\$ 17.44*	\$ 2,564

* Weighted-average price per share

The following table summarizes the total shares issued and proceeds received in public offerings 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, 2016:

	<u>Shares Issued</u>	<u>Price Per Share</u>	<u>Net Proceeds</u>
Shares issued from dividend reinvestment plan	610	\$ 15.83*	\$ 9,657
Shares issued from conversion of convertible debt †	2,011,900	15.02	—
July 13, 2016 registered direct public offering	2,336,552	15.09	34,958,570

* Weighted-average price per share

† Shares issued in connection with the full conversion of the CNO Note

The Company’s dividends are recorded on the ex-dividend date. The following table summarizes the Company’s dividends declared and paid for the three months ended March 31, 2017:

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Type</u>	<u>Amount Per Share</u>	<u>Total Amount</u>
February 22, 2017	March 17, 2017	March 31, 2017	Regular	\$ 0.36	\$ 19,095,084

The following table summarizes the Company’s dividends declared and paid for the three months ended March 31, 2016:

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Type</u>	<u>Amount Per Share</u>	<u>Total Amount</u>
February 24, 2016	March 17, 2016	March 31, 2016	Regular	\$ 0.36	\$ 17,530,963

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

7. Stockholders' Equity and Dividends – (continued)

On February 24, 2015, the Company's board of directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50.0 million in the aggregate of the Company's common stock at prices at certain thresholds below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. The Company Repurchase Plan was re-approved on February 22, 2017, to be in effect through the earlier of two trading days after the Company's first quarter 2017 earnings release unless further extended or terminated by the Company's board of directors, or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

There were no share repurchases for the three months ended March 31, 2017.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the year ended December 31, 2016:

	<u>Shares Repurchased</u>	<u>Price Per Share</u>	<u>Total Cost</u>
Company Repurchase Plan	141,896	\$ 13.25*	\$ 1,879,548

* Weighted-average price per share

8. Earnings Per Share

In accordance with ASC 260, *Earnings per Share*, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the three months ended March 31, 2017 and 2016:

	<u>Three Months Ended March 31,</u>	
	<u>2017</u>	<u>2016</u>
Net increase in net assets applicable to common shareholders resulting from operations	\$ 19,435,550	\$ 11,473,050
Weighted average shares outstanding	53,041,902	48,746,521
Earnings per share	\$ 0.37	\$ 0.24

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

9. Subsequent Events

On April 25, 2017, the Company closed a public offering of 5.75 million shares of its common stock at \$16.84 per share for gross proceeds of approximately \$96.8 million and net proceeds of approximately \$93.6 million, net of underwriter discounts and approximately \$0.3 million of expenses related to the offering.

On April 26, 2017, the Company extended the maturity date of the TCPC Funding facility from March 6, 2020 to April 26, 2021.

On May 3, 2017, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's second quarter 2017 earnings release or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On May 9, 2017, the Company's board of directors declared a second quarter regular dividend of \$0.36 per share payable on June 30, 2017 to stockholders of record as of the close of business on June 16, 2017.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

10. Financial Highlights

	<i>Three Months Ended March 31,</i>	
	<u>2017</u>	<u>2016</u>
<i>Per Common Share</i>		
Per share NAV at beginning of period	\$ 14.91	\$ 14.78
Investment operations:		
Net investment income	0.47	0.47
Net realized and unrealized losses	(0.01)	(0.14)
Incentive allocation reserve and distributions	(0.09)	(0.09)
Total from investment operations	<u>0.37</u>	<u>0.24</u>
Distributions to common shareholders from:		
Net investment income	(0.36)	(0.36)
Per share NAV at end of period	<u>\$ 14.92</u>	<u>\$ 14.66</u>
Per share market price at end of period	\$ 17.42	\$ 14.91
Total return based on market value (1), (2)	5.2%	9.6%
Total return based on net asset value (1), (3)	2.5%	1.6%
Shares outstanding at end of period	53,042,047	48,694,292

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2017

10. Financial Highlights – (continued)

	<i>Three Months Ended March 31,</i>	
	<i>2017</i>	<i>2016</i>
Ratios to average common equity: (4)		
Net investment income (5)	12.1%	12.1%
Expenses	7.4%	6.5%
Expenses and incentive allocation (6)	8.0%	7.1%
Ending common shareholder equity	\$ 791,279,021	\$ 714,060,658
Portfolio turnover rate	8.8%	5.5%
Weighted-average leverage outstanding	\$ 596,480,606	\$ 522,385,092
Weighted-average interest rate on leverage	4.4%	3.6%
Weighted-average number of common shares	53,041,902	48,746,521
Average leverage per share	\$ 11.25	\$ 10.72

(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) Net of incentive allocation.

(6) Includes incentive allocation payable to the General Partner and all Company expenses.

TCP Capital Corp.

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

Three Months Ended March 31, 2017

Security	Dividends or Interest ⁽²⁾	Fair Value at December 31, 2016	Acquisitions ⁽³⁾	Dispositions ⁽⁴⁾	Fair Value at March 31, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	\$ -	\$ 6,818,897	\$ 1,845,925	\$ -	\$ 8,664,822
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	908,583	29,203,304	2,752,968	(1,000,000)	30,956,272
AGY Holding Corp., Common Stock	-	-	-	-	-
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	254,870	9,268,000	-	-	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	31,474	1,049,147	-	-	1,049,147
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	146,088	4,869,710	-	-	4,869,710
Anacomp, Inc., Class A Common Stock	-	1,205,306	-	(87,887)	1,117,419
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	363,337	12,101,483	365,028	(55,768)	12,410,743
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	61,359	2,846,246	61,824	-	2,908,070
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	11,275	-	2,105,370	-	2,105,370
Edmentum Ultimate Holdings, LLC, Class A Common Units	-	1,123,591	-	(2)	1,123,589
EPMC HoldCo, LLC, Membership Units	-	210,035	-	-	210,035
Essex Ocean II, LLC, Membership Units	-	159,045	-	(159,045)	-
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	321,639	14,480,002	373	(313,549)	14,166,826
KAGY Holding Company, Inc., Series A Preferred Stock	-	4,607,246	605,871	-	5,213,117
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	634,753	21,276,653	188,004	-	21,464,657
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	91,998	4,000,000	-	(925,000)	3,075,000
Kawa Solar Holdings Limited, Ordinary Shares	-	-	-	-	-
Kawa Solar Holdings Limited, Series B Preferred Shares	-	1,395,350	233	-	1,395,583
RM Holdco, LLC, Equity Participation	-	-	-	-	-
RM Holdco, LLC, Membership Units	31,486	-	-	-	-
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	85,327	4,871,284	6,715	-	4,877,999
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	208,741	3,154,770	207,224	(2,026,794)	1,335,200
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	65,740	3,049,555	65,261	-	3,114,816
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	41,893	1,943,371	41,589	-	1,984,960
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	103,194	4,251,368	1,349,461	-	5,600,829
United N659UA-767, LLC (N659UA)	39,952	3,191,938	-	(101,260)	3,090,678
United N661UA-767, LLC (N661UA)	34,505	3,266,101	-	(105,003)	3,161,098
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	-	1,530,000	-	(1,297,000)	233,000

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates (1)

Year Ended December 31, 2016

Security	Dividends or Interest (2)	Fair Value at December 31, 2015	Acquisitions (3)	Dispositions (4)	Fair Value at December 31, 2016
36th Street Capital Partners Holdings, LLC, Membership Units	\$ —	\$ 225,000	\$ 6,656,342	\$ (62,445)	\$ 6,818,897
36th Street Capital Partners Holdings, LLC, Subordinated Promissory Note, 12%, due 11/1/20	1,921,851	900,000	28,303,304	—	29,203,304
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,268,000	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	20,074	—	1,049,147	—	1,049,147
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	594,088	4,869,577	133	—	4,869,710
Anacomp, Inc., Class A Common Stock	—	1,581,964	—	(376,658)	1,205,306
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,381,227	11,343,490	1,362,996	(605,003)	12,101,483
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	236,640	2,612,408	233,838	—	2,846,246
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	51,210	—	2,762,241	(2,762,241)	—
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	680,218	443,373	—	1,123,591
EPMC HoldCo, LLC, Membership Units	—	682,614	102,392	(574,971)	210,035
Essex Ocean II, LLC, Membership Units	—	200,686	65,438	(107,079)	159,045
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,316,646	14,256,233	562,182	(338,413)	14,480,002
KAGY Holding Company, Inc., Series A Preferred Stock	—	6,118,515	45,967	(1,557,236)	4,607,246
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	2,475,897	25,000,000	661,542	(4,384,889)	21,276,653
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	93,425	—	4,000,000	—	4,000,000
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	—	1,395,350	—	1,395,350
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	4,554	318,980	—	(318,980)	—
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	11,822	570,303	—	(570,303)	—
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	2,322	115,617	—	(115,617)	—
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	5,109	237,494	—	(237,494)	—
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	7,829	342,734	—	(342,734)	—
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,463	369,162	—	(369,162)	—
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	8,365	365,197	—	(365,197)	—
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,537	372,392	—	(372,392)	—
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	8,708	379,522	—	(379,522)	—
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	9,289	403,869	—	(403,869)	—
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	9,028	393,115	—	(393,115)	—
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	4,636	218,321	—	(218,321)	—
N913DL Equipment Trust Beneficial Interests	491,371	107,501	375	(107,876)	—
N918DL Equipment Trust Beneficial Interests	8,483	127,662	89,515	(217,177)	—
N954DL Equipment Trust Beneficial Interests	8,743	77,850	17,496	(95,346)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	2,433	(110,533)	—
N956DL Equipment Trust Beneficial Interests	8,362	104,478	2,571	(107,049)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	2,637	(107,966)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	2,702	(108,905)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	3,088	(109,025)	—
N961DL Equipment Trust Beneficial Interests	7,976	101,487	3,159	(104,646)	—
N976DL Equipment Trust Beneficial Interests	8,635	100,793	755	(101,548)	—
RM Holdco, LLC, Equity Participation	—	—	—	—	—
RM Holdco, LLC, Membership Units	251,887	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	328,902	3,719,155	1,152,129	—	4,871,284
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	804,739	4,490,993	1,131,050	(2,467,273)	3,154,770
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	253,440	2,797,956	251,599	—	3,049,555
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	165,193	1,783,036	164,019	(3,684)	1,943,371
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	248,959	2,188,233	2,063,135	—	4,251,368

United N659UA-767, LLC (N659UA)	456,168	3,368,599	448,126	(624,787)	3,191,938
United N661UA-767, LLC (N661UA)	549,091	3,294,024	673,594	(701,517)	3,266,101
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	—	4,198,500	—	(2,668,500)	1,530,000

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

March 31, 2017

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
Boomerang Tube Holdings, Inc., Common Stock	2/2/16
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
GACP I, LP, Membership Units	10/1/15
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
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
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC, Class A Units	10/17/16
NEG Parent, LLC, Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class B Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class P Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Rightside Group, Ltd., Warrants	8/6/14
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soasta, Inc., Warrants to Purchase Series F Preferred Stock	3/4/16
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2016

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
Boomerang Tube Holdings, Inc., Common Stock	2/2/16
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
GACP I, LP, Membership Units	10/1/15
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
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
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC, Class A Units	10/17/16
NEG Parent, LLC, Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class B Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class P Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Rightside Group, Ltd., Warrants	8/6/14
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soasta, Inc., Warrants to Purchase Series F Preferred Stock	3/4/16
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities (Unaudited)

March 31, 2017

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments, at fair value:				
Companies less than 5% owned	\$ -	\$ 1,195,112,846	\$ -	\$ 1,195,112,846
Companies 5% to 25% owned	-	70,471,411	-	70,471,411
Companies more than 25% owned	-	72,925,529	-	72,925,529
Investment in subsidiary	1,032,229,446	-	(1,032,229,446)	-
Total investments	<u>1,032,229,446</u>	<u>1,338,509,786</u>	<u>(1,032,229,446)</u>	<u>1,338,509,786</u>
Cash and cash equivalents	-	55,964,496	-	55,964,496
Accrued interest income	-	14,896,182	-	14,896,182
Deferred debt issuance costs	-	3,449,834	-	3,449,834
Prepaid expenses and other assets	284,194	977,571	-	1,261,765
Total assets	<u>1,032,513,640</u>	<u>1,413,797,869</u>	<u>(1,032,229,446)</u>	<u>1,414,082,063</u>
Liabilities				
Debt, net of unamortized issuance costs	238,473,565	369,883,104	-	608,356,669
Incentive allocation payable	-	4,976,378	-	4,976,378
Interest payable	2,205,000	2,466,563	-	4,671,563
Payable for investment securities purchased	-	2,056,600	-	2,056,600
Payable to the Advisor	80,354	445,513	-	525,867
Accrued expenses and other liabilities	475,700	1,740,265	-	2,215,965
Total liabilities	<u>241,234,619</u>	<u>381,568,423</u>	<u>-</u>	<u>622,803,042</u>
Net assets	<u>\$ 791,279,021</u>	<u>\$ 1,032,229,446</u>	<u>\$ (1,032,229,446)</u>	<u>\$ 791,279,021</u>
Composition of net assets				
Common stock	\$ 53,042	\$ -	\$ -	\$ 53,042
Additional paid-in capital	944,429,214	1,180,024,317	(1,180,024,317)	944,429,214
Accumulated deficit	(153,203,235)	(147,794,871)	147,794,871	(153,203,235)
Net assets	<u>\$ 791,279,021</u>	<u>\$ 1,032,229,446</u>	<u>\$ (1,032,229,446)</u>	<u>\$ 791,279,021</u>

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2016

	<u>TCP Capital Corp. Standalone</u>	<u>Special Value Continuation Partners, LP Consolidated</u>	<u>Eliminations</u>	<u>TCP Capital Corp. Consolidated</u>
Assets				
Investments, at fair value:				
Companies less than 5% owned	\$ —	\$ 1,175,097,468	\$ —	\$ 1,175,097,468
Companies 5% to 25% owned	—	69,355,808	—	69,355,808
Companies more than 25% owned	—	70,516,594	—	70,516,594
Investment in subsidiary	1,031,709,637	—	(1,031,709,637)	—
Total investments	<u>1,031,709,637</u>	<u>1,314,969,870</u>	<u>(1,031,709,637)</u>	<u>1,314,969,870</u>
Cash and cash equivalents	—	53,579,868	—	53,579,868
Accrued interest income	—	13,692,194	—	13,692,194
Deferred debt issuance costs	—	3,828,784	—	3,828,784
Prepaid expenses and other assets	371,466	1,156,279	—	1,527,745
Total assets	<u>1,032,081,103</u>	<u>1,387,226,995</u>	<u>(1,031,709,637)</u>	<u>1,387,598,461</u>
Liabilities				
Debt, net of unamortized issuance costs	237,871,436	333,787,426	—	571,658,862
Payable for investment securities purchased	—	12,348,925	—	12,348,925
Interest payable	2,298,333	2,715,380	—	5,013,713
Incentive allocation payable	—	4,716,834	—	4,716,834
Payable to the Advisor	—	325,790	—	325,790
Accrued expenses and other liabilities	975,343	1,623,003	—	2,598,346
Total liabilities	<u>241,145,112</u>	<u>355,517,358</u>	<u>—</u>	<u>596,662,470</u>
Net assets	<u>\$ 790,935,991</u>	<u>\$ 1,031,709,637</u>	<u>\$ (1,031,709,637)</u>	<u>\$ 790,935,991</u>
Composition of net assets				
Common stock	\$ 53,042	\$ —	\$ —	\$ 53,042
Additional paid-in capital	944,426,650	1,180,024,317	(1,180,024,317)	944,426,650
Accumulated deficit	(153,543,701)	(148,314,680)	148,314,680	(153,543,701)
Net assets	<u>\$ 790,935,991</u>	<u>\$ 1,031,709,637</u>	<u>\$ (1,031,709,637)</u>	<u>\$ 790,935,991</u>

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Three Months Ended March 31, 2017

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	\$ -	\$ 35,418,453	\$ -	\$ 35,418,453
Companies 5% to 25% owned	-	1,726,423	-	1,726,423
Companies more than 25% owned	-	1,635,334	-	1,635,334
Lease income:				
Companies more than 25% owned	-	74,457	-	74,457
Other income:				
Companies less than 5% owned	-	488,347	-	488,347
Total investment income	<u>-</u>	<u>39,343,014</u>	<u>-</u>	<u>39,343,014</u>
Operating expenses				
Interest and other debt expenses	3,656,365	4,098,662	-	7,755,027
Management and advisory fees	-	4,934,041	-	4,934,041
Administration expenses	-	589,561	-	589,561
Legal fees, professional fees and due diligence expenses	155,227	122,494	-	277,721
Director fees	53,323	106,647	-	159,970
Insurance expense	35,985	71,975	-	107,960
Custody fees	875	81,012	-	81,887
Other operating expenses	190,434	364,525	-	554,959
Total expenses	<u>4,092,209</u>	<u>10,368,917</u>	<u>-</u>	<u>14,461,126</u>
Net investment income (loss)	<u>(4,092,209)</u>	<u>28,974,097</u>	<u>-</u>	<u>24,881,888</u>
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	-	(5,087,458)	-	(5,087,458)
Net realized loss	-	(5,087,458)	-	(5,087,458)
Change in net unrealized appreciation/depreciation	-	4,617,498	-	4,617,498
Net realized and unrealized loss	<u>-</u>	<u>(469,960)</u>	<u>-</u>	<u>(469,960)</u>
Net increase (decrease) in net assets from operations	<u>(4,092,209)</u>	<u>28,504,137</u>	<u>-</u>	<u>24,411,928</u>
Interest in earnings of subsidiary	23,527,759	-	(23,527,759)	-
Distributions of incentive allocation to the General Partner from net investment income	-	-	(4,976,378)	(4,976,378)
Net increase in net assets applicable to common equityholders resulting from operations	<u>\$ 19,435,550</u>	<u>\$ 28,504,137</u>	<u>\$ (28,504,137)</u>	<u>\$ 19,435,550</u>

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Three Months Ended March 31, 2016

	<u>TCP Capital Corp. Standalone</u>	<u>Special Value Continuation Partners, LP Consolidated</u>	<u>Eliminations</u>	<u>TCP Capital Corp. Consolidated</u>
Investment income				
Interest income:				
Companies less than 5% owned	\$ -	\$ 30,810,782	\$ -	\$ 30,810,782
Companies 5% to 25% owned	-	1,532,728	-	1,532,728
Companies more than 25% owned	-	531,013	-	531,013
Lease income:				
Companies more than 25% owned	-	776,071	-	776,071
Other income:				
Companies less than 5% owned	-	938,688	-	938,688
Total investment income	<u>-</u>	<u>34,589,282</u>	<u>-</u>	<u>34,589,282</u>
Operating expenses				
Interest and other debt expenses	1,696,288	3,848,993	-	5,545,281
Management and advisory fees	-	4,504,084	-	4,504,084
Legal fees, professional fees and due diligence expenses	148,329	354,366	-	502,695
Administration expenses	-	421,736	-	421,736
Director fees	35,975	71,949	-	107,924
Insurance expense	32,454	68,480	-	100,934
Custody fees	875	79,651	-	80,526
Other operating expenses	150,613	305,110	-	455,723
Total expenses	<u>2,064,534</u>	<u>9,654,369</u>	<u>-</u>	<u>11,718,903</u>
Net investment income (loss)	(2,064,534)	24,934,913	-	22,870,379
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	-	(2,943,705)	-	(2,943,705)
Investments in companies 5% to 25% owned	-	315,053	-	315,053
Net realized loss	<u>-</u>	<u>(2,628,652)</u>	<u>-</u>	<u>(2,628,652)</u>
Change in net unrealized appreciation/depreciation	-	(4,194,601)	-	(4,194,601)
Net realized and unrealized loss	<u>-</u>	<u>(6,823,253)</u>	<u>-</u>	<u>(6,823,253)</u>
Net increase (decrease) in net assets from operations	(2,064,534)	18,111,660	-	16,047,126
Interest in earnings of subsidiary	13,537,584	-	(13,537,584)	-
Distributions of incentive allocation to the General Partner from net investment income	<u>-</u>	<u>-</u>	<u>(4,574,076)</u>	<u>(4,574,076)</u>
Net increase in net assets applicable to common equityholders resulting from operations	\$ 11,473,050	\$ 18,111,660	\$ (18,111,660)	\$ 11,473,050

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

The information contained in this section should be read in conjunction with our unaudited consolidated financial statements and related notes thereto appearing elsewhere in this quarterly report on Form 10-Q. Some of the statements in this report (including in the following discussion) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or the future performance or financial condition of TCP Capital Corp. (the “Holding Company”). For simplicity, this report uses the terms “Company,” “we,” “us” and “our” to include the Holding Company and, where appropriate in the context, Special Value Continuation Partners, LP (the “Operating Company”), on a consolidated basis. The forward-looking statements contained in this report involve a number of risks and uncertainties, including statements concerning:

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

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

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

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 was formed through the conversion of a pre-existing closed-end 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 as well as small businesses, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, we may make equity investments directly. Investment operations are conducted either in Special Value Continuation Partners, LP, a Delaware Limited Partnership (the “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 Series H of SVOF/MM, LLC (“SVOF/MM”), which also serves as the administrator (the “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. The equity interests in the General Partner are owned directly by the Advisor. 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.

Our leverage program is comprised of \$116.0 million in available debt under a senior secured revolving credit facility issued by the Operating Company (the “SVCP Revolver”), a \$100.5 million term loan issued by the Operating Company (the “Term Loan” and together with the SVCP Revolver, the “SVCP Facility”), \$350.0 million in available debt under a senior secured revolving credit facility issued by TCPC Funding (the “TCPC Funding Facility”), \$108.0 million in convertible senior unsecured notes issued by the Holding Company maturing in 2019 (the “2019 Convertible Notes”), \$140.0 million in convertible senior unsecured notes issued by the Holding Company maturing in 2022 (the “2022 Convertible Notes”) and \$150.0 million in committed leverage from the SBA (the “SBA Program” and, together with the SVCP Facility, the TCPC Funding Facility, the 2019 Convertible Notes and the 2022 Convertible Notes, the “Leverage Program”). Prior to the repurchase and retirement of the remaining preferred interests on September 3, 2015, the Leverage Program also included amounts outstanding under a preferred equity facility issued by the Operating Company (the “Preferred Interests”).

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

Investments

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

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than \$250.0 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, 2017, 86.2% of our total assets were invested in qualifying assets.

Revenues

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

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 Series H of 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 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. According to the terms of such agreements, no incentive compensation was incurred prior to January 1, 2013. Beginning January 1, 2013, the incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013, with each component being subject to a total return requirement of 8% of contributed common equity annually. The incentive compensation is payable to the General Partner by the 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 current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a “forced” sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

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

- The investment professionals of the Advisor provide recent portfolio company financial statements and other reporting materials to independent valuation firms approved by our board of directors.
- Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented and discussed with senior management of the Advisor.
- The fair value of smaller investments comprising in the aggregate less than 5% of our total capitalization may be determined by the Advisor in good faith in accordance with our valuation policy without the employment of an independent valuation firm.
- The audit committee of the board of directors discusses the valuations, and the board of directors approves the fair value of the investments in our portfolio in good faith based on the input of the Advisor, the respective independent valuation firms (to the extent applicable) and the audit committee of the board of directors.

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

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

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

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

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

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

As of March 31, 2017, less than 0.1% of our investments were categorized as Level 1, 7.6% were categorized as Level 2, 92.1% were Level 3 investments valued based on valuations by independent third party sources, and 0.2% were Level 3 investments valued based on valuations by the Advisor.

As of December 31, 2016, none of our investments were categorized as Level 1, 8.4% were categorized as Level 2, 91.5% were Level 3 investments valued based on valuations by independent third party sources, and 0.1% 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 consolidated 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. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

Certain of our debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. Discounts on the acquisition of corporate bonds are generally amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

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

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

Portfolio and investment activity

During the three months ended March 31, 2017, we invested approximately \$139.8 million, comprised of new investments in four new and five existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 95.5% were in senior secured debt comprised of senior loans (\$126.9 million, or 90.8% of total acquisitions) and senior secured notes (\$6.6 million, or 4.7% of total acquisitions). The remaining \$6.3 million (4.5% of total acquisitions) were comprised of \$5.7 million in equity interests in two portfolios of debt and lease assets, as well as \$0.6 million in two warrant positions received in connection with debt investments. Additionally, we received approximately \$117.0 million in proceeds from sales or repayments of investments during the three months ended March 31, 2017.

During the three months ended March 31, 2016, we invested approximately \$114.1 million, comprised of new investments in four new and two existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 94.9% were in senior secured debt comprised of senior loans (\$91.9 million, or 80.5% of the total) and senior secured notes (\$16.4 million, or 14.4% of the total). The remaining \$5.8 million (5.1% of total acquisitions) were comprised of \$5.0 million in equity interests in two portfolios of debt and lease assets, as well as \$0.8 million in two warrant positions received in connection with debt investments. Additionally, we received approximately \$66.1 million in proceeds from sales or repayments of investments during the three months ended March 31, 2016.

At March 31, 2017, our investment portfolio of \$1,338.5 million (at fair value) consisted of 88 portfolio companies and was invested 95.2% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 86.7% in senior secured loans, 8.5% in senior secured notes and 4.8% in equity investments. Our average portfolio company investment at fair value was approximately \$15.4 million. Our largest portfolio company investment by value was approximately \$46.2 million and our five largest portfolio company investments by value comprised approximately 15.4% of our portfolio at March 31, 2017.

At December 31, 2016, our investment portfolio of \$1,315.0 million (at fair value) consisted of 90 portfolio companies and was invested 95.0% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 83.7% in senior secured loans, 11.3% in senior secured notes and 5.0% in equity investments. Our average portfolio company investment at fair value was approximately \$14.6 million. Our largest portfolio company investment by value was approximately \$46.2 million and our five largest portfolio company investments by value comprised approximately 14.1% of our portfolio at December 31, 2016.

The industry composition of our portfolio at fair value at March 31, 2017 was as follows:

Industry	Percent of Total Investments
Software Publishing	13.9%
Computer Systems Design and Related Services	10.5%
Nondepository Credit Intermediation	9.1%
Lessors of Nonfinancial Licenses	4.1%
Business Support Services	4.0%
Air Transportation	3.6%
Hospitals	3.6%
Equipment Leasing	3.1%
Other Information Services	3.0%
Scientific Research and Development Services	2.8%
Chemicals	2.6%
Financial Investment Activities	2.5%
Insurance	2.4%
Retail	2.4%
Textile Furnishings Mills	2.3%
Activities Related to Credit Intermediation	1.9%
Other Manufacturing	1.9%
Utility System Construction	1.9%
Management, Scientific, and Technical Consulting Services	1.8%
Amusement and Recreation	1.7%
Other Publishing	1.6%
Wholesalers	1.6%
Wired Telecommunications Carriers	1.6%
Apparel Manufacturing	1.5%
Radio and Television Broadcasting	1.5%
Educational Support Services	1.4%
Restaurants	1.3%
Advertising and Public Relations Services	1.1%
Building Equipment Contractors	1.1%
Communications Equipment Manufacturing	1.1%
Activities Related to Real Estate	1.0%
Electronic Component Manufacturing	1.0%
Other	5.1%
Total	100.0%

The weighted average effective yield of the debt securities in our portfolio was 11.07% at March 31, 2017 and 10.92% at December 31, 2016. At March 31, 2017, 83.5% of debt investments in our portfolio bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 16.5% bore interest at fixed rates. The percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 74.6% at March 31, 2017. At December 31, 2016, 80.5% of debt investments in our portfolio bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 19.5% bore interest at fixed rates. The percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 77.0% at December 31, 2016.

Results of operations

Investment income

Investment income totaled \$39.3 million and \$34.6 million, respectively, for the three months ended March 31, 2017 and 2016, of which \$38.8 million and \$32.9 million were attributable to interest and fees on our debt investments, \$0.1 million and \$0.8 million to lease income and \$0.4 million and \$1.0 million to other income, respectively. Other income is primarily comprised of fee income earned in respect of amendments to various debt investments. Included in interest and fees on our debt investments were \$3.3 million and \$0.9 million of non-recurring income related to prepayments for the three months ended March 31, 2017 and 2016, respectively. The increase in investment income in the three months ended March 31, 2017 compared to the three months ended March 31, 2016 reflects an increase in interest income due to the increase in prepayment income and the larger portfolio size in the three months ended March 31, 2017 compared to the three months ended March 31, 2016, partially offset by a decrease in other income.

Expenses

Total operating expenses for the three months ended March 31, 2017 and 2016 were \$14.5 million and \$11.7 million, respectively, comprised of \$7.8 million and \$5.5 million in interest expense and related fees, \$4.9 million and \$4.5 million in base management fees, \$0.3 million and \$0.5 million in legal and professional fees, \$0.6 million and \$0.4 million in administrative expenses, and \$0.9 million and \$0.7 million in other expenses, respectively. The increase in expenses in the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily reflects the increase in interest expense and other costs related to the increase in outstanding debt, as well as the higher average interest rate following the issuance of the 2022 Convertible Notes and the increase in LIBOR rates during the period.

Net investment income

Net investment income was \$24.9 million and \$22.9 million, respectively, for the three months ended March 31, 2017 and 2016. The increase in net investment income in the three months ended March 31, 2017 compared to the three months ended March 31, 2016 primarily reflects the increase in investment income, partially offset by the increase in expenses in the three months ended March 31, 2017.

Net realized and unrealized gain or loss

Net realized losses for the three months ended March 31, 2017 and 2016 were \$5.1 million and \$2.6 million, respectively. Net realized losses during the three months ended March 31, 2017 were comprised primarily of a \$3.5 million loss realization on the restructuring of our loan to Avanti Communications Group and a \$1.5 million loss on the disposition of our investment in Integra Telecom Holdings. Substantially all of the losses had been recognized on an unrealized basis in prior periods. Net realized loss during the three months ended March 31, 2016 was primarily due to the taxable reorganization of our investment in Boomerang Tube, LLC.

For the three months ended March 31, 2017 and 2016, the change in net unrealized appreciation/depreciation was \$4.6 million and \$(4.2) million, respectively. The change in net unrealized appreciation/depreciation for the three months ended March 31, 2017 was comprised primarily of the reversal of previously recognized unrealized losses as well as various market gains resulting from generally tighter spreads, partially offset by a \$2.0 million markdown of Real Mex along with industry comparables, even as the company benefitted from increasing same store sales and other improvements. The change in net unrealized appreciation/depreciation for the three months ended March 31, 2016 was comprised primarily of a \$1.7 million markdown on our loan to STG-Fairway Acquisitions, Inc. (aka First Advantage) to just under par, a \$1.4 million markdown on our BPA Laboratories, Inc. debt to just above par as call protection expires, as well as various other mark to market adjustments resulting from generally wider market yield spreads during the quarter. These losses were partially offset by certain unrealized gains from improved credit, including a \$3.9 million gain on our loan to Securus Technologies, Inc. due to favorable regulatory developments.

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 Company has made and intends to continue to make the requisite distributions to its stockholders which will generally relieve the Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at year end as such amounts are known. There was no U.S. federal excise tax recorded during the three months ended March 31, 2017 and 2016.

Incentive compensation

Incentive compensation distributable to the General Partner for the three months ended March 31, 2017 and 2016 was \$5.0 million and \$4.6 million, respectively. Incentive compensation for the three months ended March 31, 2017 and 2016 was distributable due to our performance exceeding the total return threshold.

Net increase in net assets applicable to common shareholders resulting from operations

The net increase in net assets resulting from operations was \$19.4 million and \$11.5 million for the three months ended March 31, 2017 and 2016, respectively. The higher net increase in net assets applicable to common shareholders resulting from operations during the three months ended March 31, 2017 is primarily due to the lower net realized and unrealized losses and the higher net investment income during the three months ended March 31, 2017 compared to the net realized and unrealized losses during the three months ended March 31, 2016.

Liquidity and capital resources

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

The following table summarizes the total shares issued and proceeds received in offerings 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 three months ended March 31, 2017.

	<u>Shares Issued</u>	<u>Price Per Share</u>	<u>Net Proceeds</u>
Shares issued from dividend reinvestment plan	147	\$ 17.44*	\$ 2,564

* Weighted-average price per share.

The following table summarizes the total shares issued and proceeds received in offerings 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, 2016.

	<u>Shares Issued</u>	<u>Price Per Share</u>	<u>Net Proceeds</u>
Shares issued from dividend reinvestment plan	610	\$ 15.83*	\$ 9,657
Shares issued from conversion of convertible debt †	2,011,900	15.02	—
July 13, 2016 registered direct public offering	2,336,552	15.09	34,958,570

* Weighted-average price per share.

† On April 18, 2016, the Company issued \$30.0 million in aggregate principal amount of a 5.25% convertible senior unsecured note due 2021 to CNO Financial Investments Corp. (the "CNO Note"). On June 7, 2016, the Company issued 2,011,900 shares of its common stock pursuant to the full conversion, at the holder's option, of the \$30.0 million in aggregate principal amount (plus accrued interest) of the CNO Note. The CNO Note was converted at a price of \$15.02 per share of common stock. No placement agent or underwriting fees were incurred in connection with the issuance or the conversion of the CNO Note.

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

On February 24, 2015, the Company's board of directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50.0 million in the aggregate of the Company's common stock at prices at certain thresholds below the Company's net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company's behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company's common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. The Company Repurchase Plan was re-approved on February 22, 2017, to be in effect through the earlier of two trading days after our first quarter 2017 earnings release, unless further extended or terminated by our board of directors, or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions. There were no share repurchases for the three months ended March 31, 2017.

Total leverage outstanding and available under the combined Leverage Program at March 31, 2017 were as follows:

	<u>Maturity</u>	<u>Rate</u>	<u>Carrying Value*</u>	<u>Available</u>	<u>Total Capacity</u>
SVCP Facility					
SVCP Revolver	2018	L+2.50% †	\$ 36,000,000	\$ 80,000,000	\$ 116,000,000
Term Loan	2018	L+2.50% †	100,500,000	—	100,500,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	106,661,798	—	106,661,798
2022 Convertible Notes (\$140 million par)	2022	4.625%	136,993,529	—	136,993,529
TCPC Funding Facility	2020	L+2.50% ‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024-2026	2.58% §	61,000,000	89,000,000	150,000,000
Total leverage			616,155,327	\$ 344,000,000	\$ 960,155,327
Unamortized issuance costs			(7,798,658)		
Debt, net of unamortized issuance costs			\$ 608,356,669		

* Except for the convertible notes, all carrying values are the same as the principal amounts outstanding.

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

‡ Or L+2.25% subject to certain funding requirements

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

On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude debt outstanding under the SBA Program from our 200% asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting the SBIC to borrow up to \$150.0 million more than it would otherwise be able to absent the receipt of this exemptive relief.

Net cash used in operating activities during the three months ended March 31, 2017 was \$14.5 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of \$19.3 million, partially offset by net investment income less incentive allocation (net of non-cash income and expenses) of approximately \$4.8 million.

Net cash provided by financing activities was \$16.9 million during the three months ended March 31, 2017, consisting primarily of \$36.0 million of net borrowings of debt reduced by the \$19.1 million in regular dividends paid on common equity.

At March 31, 2017, we had \$56.0 million in cash and cash equivalents.

The SVCP Facility and the TCPC Funding Facility are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and are subject to compliance with customary affirmative and negative covenants, including the maintenance of a minimum shareholders' equity, the maintenance of a ratio of not less than 200% of total assets (less total liabilities other than indebtedness) to total indebtedness, and restrictions on certain payments and issuance of debt. Unfavorable economic conditions may result in a decrease in the value of our investments, which would affect both the asset coverage ratios and the value of the collateral securing the SVCP Facility and the TCPC Funding Facility, and may therefore impact our ability to borrow under the SVCP Facility and the TCPC Funding Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At March 31, 2017, 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 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 SVCP Facility, the 2019 Convertible Notes, the 2022 Convertible Notes and the TCPC Funding Facility mature in July 2018, December 2019, March 2022 and March 2020, respectively. Any inability to renew, extend or replace the Leverage Program could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

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

Contractual obligations

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

Distributions

Our quarterly dividends and distributions to common stockholders are recorded on the ex-dividend date. Distributions are declared considering our estimate of 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 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, 2017 and 2016:

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Type</u>	<u>Amount Per Share</u>	<u>Total Amount</u>
February 22, 2017	March 17, 2017	March 31, 2017	Regular	\$ 0.36	\$ 19,095,084

<u>Date Declared</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Type</u>	<u>Amount Per Share</u>	<u>Total Amount</u>
February 24, 2016	March 17, 2016	March 31, 2016	Regular	\$ 0.36	\$ 17,530,963

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The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the three months ended March 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Shares Issued	147	154
Average Price Per Share	\$ 17.44	\$ 14.88
Proceeds	\$ 2,564	\$ 2,291

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

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

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

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

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

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 Series H of SVOF/MM, LLC. SVOF/MM, LLC is an affiliate of the Advisor and certain other series and classes of SVOF/MM, LLC serve as the general partner or managing member of certain other funds managed by the Advisor.

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

Recent Developments

From April 1, 2017 through May 5, 2017, the Operating Company has invested approximately \$141.1 million primarily in seven senior secured loans with a combined effective yield of approximately 9.3%.

On April 25, 2017, the Company closed a public offering of 5.75 million shares of its common stock at \$16.84 per share for gross proceeds of approximately \$96.8 million and net proceeds of approximately \$93.6 million, net of underwriter discounts and approximately \$0.3 million of expenses related to the offering.

On April 26, 2017, the Company extended the maturity date of the TCPC Funding facility from March 6, 2020 to April 26, 2021.

On May 3, 2017, the Company’s board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company’s second quarter 2017 earnings release or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On May 9, 2017, the Company’s board of directors declared a second quarter regular dividend of \$0.36 per share payable on June 30, 2017 to stockholders of record as of the close of business on June 16, 2017.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. At March 31, 2017, 83.5% of debt investments in our portfolio 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, 2017, the percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 74.6%. 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, 2017 balance sheet, the following table shows the annual impact on net investment income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

Basis Point Change	Interest income	Interest Expense	Net Investment Income
Up 300 basis points	\$ 36,089,022	\$ (11,175,000)	\$ 24,914,022
Up 200 basis points	24,658,655	(7,450,000)	17,208,655
Up 100 basis points	13,228,288	(3,725,000)	9,503,288
Down 100 basis points	(4,996,806)	3,725,000	(1,271,806)
Down 200 basis points	(5,409,097)	4,226,758	(1,182,339)
Down 300 basis points	(5,409,097)	4,226,758	(1,182,339)

Item 4. Controls and Procedures

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

Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, as of March 31, 2017, we are currently not a party to any pending material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our most recent annual report on Form 10-K, as filed with the Securities and Exchange Commission on February 28, 2017.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4: Mine Safety Disclosures.

None.

Item 5: Other Information.

None.

Item 6: Exhibits

Number	Description
3.1	Articles of Incorporation of the Registrant (1)
3.2	Bylaws of the Registrant (2)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U. S. C. 1350)*

* Filed herewith.

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

SIGNATURES

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

TCP CAPITAL CORP.

Date: May 9, 2017

By: /s/ Howard M. Levkowitz

Name: Howard M. Levkowitz

Title: Chief Executive Officer

Date: May 9, 2017

By: /s/ Paul L. Davis

Name: Paul L. Davis

Title: Chief Financial Officer

**Certification of Chief Executive Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Howard M. Levkowitz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TCP Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2017

/s/ Howard M. Levkowitz

Howard M. Levkowitz
Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer
of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Paul L. Davis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TCP Capital Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2017

/s/ Paul L. Davis

Paul L. Davis
Chief Financial Officer
(Principal Financial Officer)

**Certification of Chief Executive Officer and Chief Financial Officer
Pursuant to
18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of TCP Capital Corp. (the "Company") for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Howard M. Levkowitz, as Chief Executive Officer of the Company, and Paul L. Davis, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2017

/s/ Howard M. Levkowitz

Howard M. Levkowitz
Chief Executive Officer
(Principal Executive Officer)

Dated: May 9, 2017

/s/ Paul L. Davis

Paul L. Davis
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to TCP Capital Corp. and will be retained by TCP Capital Corp. and furnished to the Securities and Exchange Commission or its staff upon request.
