TCP Capital Corp.
Form 497
November 28, 2017
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File No. 333-216716

PROSPECTUS SUPPLEMENT
(To prospectus dated May 3, 2017)

Up to $50,000,000

Common Stock

We are a holding company (the Holding Company) with no direct operations of our own, and currently our only business and sole asset is our ownership of all of the common limited partner interests in Special Value Continuation Partners, LP (the Operating Company), which represents approximately 100% of the common equity and 100% of the combined common equity and general partner interests in the Operating Company as of September 30, 2017. We and the Operating Company are externally managed, closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the Investment Company Act of 1940 (the 1940 Act). Our and the Operating Company s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. Both we and the Operating Company seek to achieve this investment objective primarily through investments in debt securities of middle-market companies as well as small businesses. Our primary investment focus is investing in and originating leveraged loans to performing middle-market companies as well as small businesses.

Tennenbaum Capital Partners, LLC (the Advisor) serves as our and the Operating Company s investment advisor. Our Advisor is a leading investment manager and specialty lender to middle-market companies that had in excess of $7.7 billion in capital commitments from investors (committed capital) under management as of September 30, 2017, approximately 25.4% of which consists of our committed capital. Series H of SVOF/MM, LLC, an affiliate of our Advisor, is the Operating Company s general partner and provides the administrative services necessary for us to operate.

We have entered into an equity distribution agreement, dated as of November 28, 2017, with Raymond James & Associates, Inc. (the Agent) under which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to $50,000,000 through the Agent, as our agent.

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings, including sales made directly on the NASDAQ Global Select Market or sales made to or through a market maker other than on an exchange.

From time to time during the term of the equity distribution agreement, we may deliver a placement notice to the Agent specifying the length of the selling period, the amount of shares to be sold and the minimum price below which sales may not be made. Upon the Agent’s acceptance of the terms of a placement notice from us, the Agent will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase our common stock under the terms and subject to the conditions set forth in the equity distribution agreement. The Agent is not required to sell any specific number or dollar amount of common stock. Shares of our common stock to which this prospectus supplement relates will be sold only through the Agent on any given day. The offering of shares of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares having an aggregate offering price of $50,000,000 or (2) the termination of the equity distribution agreement so that the Agent no longer remains subject thereto. We may also sell our common stock to the Agent as principal for its own account at prices agreed upon at the time of sale. We will pay the Agent a commission for its services in acting as sales agent and/or principal in the sale of shares. The Agent will be entitled to compensation that will not exceed, but may be up to, 2.0% of the gross sales price of all shares sold through it under the equity distribution agreement. See Plan of Distribution on page S-30 of this prospectus supplement.

Our common stock is traded on the NASDAQ Global Select Market under the symbol TCPC. The last reported closing price for our common stock on November 27, 2017 was $16.04 per share. The offering price per share of our common stock sold in this offering less the Agent s commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering.

You should read this prospectus supplement and the accompanying prospectus carefully before you invest in shares of our common stock.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read it carefully before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the SEC). A Statement of Additional Information or SAI, dated November 28, 2017, containing additional information about the Holding Company and the Operating Company has been filed with the SEC and is incorporated by reference in its entirety into this prospectus supplement. We maintain a website at http://www.tcpcapital.com and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through this website. You may also obtain free copies of our annual and quarterly reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page S-33 of this prospectus supplement and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. The SEC maintains a website at http://www.sec.gov where such information is available without charge upon request. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

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

Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in the offerings. Investing in our common stock involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any of our common stock, you should read the discussion of the material risks of investing in our common stock in Risks beginning on page S-7 of this prospectus supplement and on page 19 of the accompanying prospectus.

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

Raymond James

Prospectus Supplement dated November 28, 2017

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- the introduction, withdrawal, success and timing of business initiatives and strategies;
- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- the relative and absolute investment performance and operations of our Advisor;
- the impact of increased competition;
- the impact of future acquisitions and divestitures;
- the unfavorable resolution of legal proceedings;
- our business prospects and the financial condition and prospects of our portfolio companies;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us, our Advisor or our portfolio companies;
- the ability of our Advisor to identify suitable investments for us and to monitor and administer our investments;
- our contractual arrangements and relationships with third parties;
- any future financings and investments by us;
- the ability of our Advisor to attract and retain highly talented professionals;
- fluctuations in interest rates or foreign currency exchange rates; and
- the impact of changes to tax legislation and, generally, our tax position.

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

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended (the Securities Act) or Section 21E of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act). Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

Statistical and market data used in this prospectus supplement and the accompanying prospectus has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus supplement and the accompanying prospectus, for which the safe harbor provided in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act is not available.

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You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the Statement of Additional Information, dated November 28, 2017, or SAI, incorporated by reference in its entirety in the accompanying prospectus, and the documents incorporated by reference herein or therein. We have not, and the Agent has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Agent is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and of the accompanying prospectus, respectively, and the information in the SAI and the documents incorporated by reference herein or in the accompanying prospectus or the SAI is accurate only as of their respective dates. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus supplement, the accompanying prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement. This summary is not complete and may not contain all of the information that you may want to consider before investing in our common stock. You should read the entire prospectus supplement, the accompanying prospectus, including Risks, and the Statement of Additional Information, dated November 28, 2017 (the SAI). This prospectus supplement summarizes the specific terms of the securities being offered and supplements the general descriptions set forth in the accompanying prospectus. This prospectus supplement may also update or supersede information in the accompanying prospectus. In the case of inconsistencies, this prospectus supplement will apply. Terms used but not defined in this prospectus supplement have the meanings indicated in the accompanying prospectus.

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

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

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

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

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

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

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

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

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

The Company

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended, or the 1940 Act. See the accompanying prospectus under Prospectus Summary— Company History and BDC Conversion. We completed our initial public offering on April 10, 2012. Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between $100 million and $1.5 billion. While we primarily focus on privately negotiated investments in debt of middle-market companies, we make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns. See the accompanying prospectus under Prospectus Summary— Company History and BDC Conversion.

As described in more detail in the accompanying prospectus under Prospectus Summary—Company History and BDC Conversion, we have no employees of our own and currently our only business and sole asset is the ownership of all of the common limited partner interests of the Operating Company. Our investment activities are externally managed by our Advisor, a leading investment manager with in excess of $7.7 billion in capital commitments from investors (committed capital) under management, approximately 25.4% of which consists of the Holding Company s committed capital under management as of September 30, 2017, and a primary focus on providing financing to middle-market companies as well as small businesses. Additionally, the Holding Company expects that it will continue to seek to qualify as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code, or the Code.

On April 22, 2014, TCPC SBIC, a wholly-owned subsidiary of the Operating Company, received a Small Business Investment Company (SBIC) license from the Small Business Administration (SBA). Pursuant to an exemptive order under the 1940 Act, we have been granted exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. For example, as of September 30, 2017, we had approximately $1,559.6 million in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us, which would permit us to borrow up to approximately $1,559.6 million, notwithstanding other limitations on our borrowings pursuant to our Leverage Program.

The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting us to borrow up to $150 million more than we would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, will be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we can have more debt outstanding than assets to cover such debt. For example, we will be able to borrow up to $150 million more than the approximately $1,559.6 million permitted under the 200% asset coverage ratio limit as of September 30, 2017. For additional information on SBA regulations that affect our access to SBA-guaranteed debentures, see the accompanying prospectus under Risks — Risks Relating to Our Business — TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

The SBIC license allows TCPC SBIC to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, will have a superior claim to TCPC SBIC s assets over our stockholders in the event we liquidate TCPC SBIC or the SBA exercises its remedies under the SBA-guaranteed debentures issued by TCPC SBIC upon an event of default.

Investment Portfolio

At September 30, 2017, our investment portfolio of $1,528.8 million (at fair value) consisted of 97 portfolio companies and was invested 95.7% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 89.7% in senior secured loans, 6.0% in senior secured notes, and 4.3% in equity investments. Our average portfolio company investment at fair value was approximately $15.8 million. Our largest portfolio company investment by value was approximately $45.5 million and our

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five largest portfolio company investments by value comprised approximately 13.6% of our portfolio at September 30, 2017. See the accompanying prospectus under Prospectus Summary—Investment Strategy for more information.

Recent Developments

From October 1, 2017 through November 3, 2017, the Operating Company has invested approximately $68.1 million primarily in four senior secured loans with a combined effective yield of approximately 10.0%.

On November 2, 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 fourth quarter 2017 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2017, the Company issued $50 million in aggregate principal amount of 4.125% notes due 2022 for proceeds of approximately $49.1 million, net of underwriter discounts and approximately $0.3 million of expenses related to the offering. The notes are a further issuance to the 2022 Notes (defined below) that the Company issued on August 11, 2017, and are treated as a single series with the existing 2022 Notes under the indenture.

On November 7, 2017, the Company s board of directors declared a fourth quarter regular dividend of $0.36 per share payable on December 29, 2017 to stockholders of record as of the close of business on December 15, 2017.

Determinations of Net Asset Value In Connection with the Offering

The offering price per share of our common stock sold in this offering, less the Agent s commissions or discounts payable by us, will not be less than the net asset value per share of our common stock as determined by a committee of our board of directors within 48 hours of the time of sale. Our board of directors approves the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements, based on input from our Advisor and the audit committee of our board of directors. In connection with this offering, a committee of our board of directors will determine that we are not selling shares of our common stock at a price per share, after deducting the Agents commissions or discounts, below the then current net asset value of our common stock. Therefore at such times as we are selling shares in this offering, a committee of our board, based on the input of our Advisor and in accordance with valuation procedures adopted by the board of directors, will periodically determine our net asset value on an interim basis between quarterly net asset value determinations. Our valuation procedures provide that our Advisor will give the committee of the board an updated net asset value recommendation, determined based on the net asset value of our common stock most recently disclosed by us in the most recent periodic report that we filed with the SEC and adjusted based on all factors that our Advisor determines to be relevant, including the realization of net gains on the sale of our portfolio investments and our Advisor s assessment of material changes, if any, in the fair value of our portfolio investments since the prior quarterly net asset value determination. Such interim net asset value calculations will occur within 48 hours of a sale of any shares in this offering.

Company Information

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

Presentation of Historical Financial Information

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

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

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. The expenses shown in the table under Annual Expenses (excluding incentive compensation payable under the investment management agreement) are based on the assumed sale of shares of our common stock having an aggregate offering price of $50,000,000, and a maximum sales load of 2.00%, pursuant to the equity distribution agreements. **The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown.** The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months. Further, the fees and expenses below are presented on a consolidated basis directly or indirectly to include expenses of the Company and the Operating Company that investors in our common stock will bear.

Stockholder Transaction Expenses:		
Sales Load (as a percentage of offering price)	2.00	%(1)
Offering Expenses (as a percentage of offering price)	0.30	%(2)
Dividend Reinvestment Plan Fees	—(3)	
Total Stockholder Transaction Expenses (as a percentage of offering price)	2.30	%
Annual Expenses (as a Percentage of Consolidated Net Assets Attributable to Common Stock)(4):		
Base Management Fees	3.12	%(5)
Incentive Compensation Payable Under the Investment Management Agreement (20% of ordinary income and capital gains)	2.40	%(6)
Interest Payments on Borrowed Funds	4.54	%(7)
Other Expenses (estimated)	0.85	%(8)
Total Annual Expenses	10.91	%

(1) Represents the Agent's commissions with respect to the shares to be sold by us pursuant to this prospectus supplement and the accompanying prospectus. The Agent will be entitled to compensation of up to 2.00% of the gross proceeds of the sale of any shares of our common stock under the equity distribution agreement, with the exact amount of such compensation to be mutually agreed upon by the Company and the Agent from time to time. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

(2) Amount reflects estimated offering expenses of approximately $150,000.

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

(4) The consolidated net assets attributable to common stock used to calculate the percentages in this table is our average consolidated net assets attributable to common stock of $838.6 million for the 12 month period ending September 30, 2017.

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

(6)

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

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

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

(7) Interest Payments on Borrowed Funds represents interest and fees estimated to be accrued on the SVCP Revolver (defined below) and TCPC Funding Facility (defined below) and amortization of debt issuance costs, and assumes the SVCP Revolver and TCPC Funding Facility are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued (i) under the SVCP Revolver is the rate in effect as of September 30, 2017, which was 3.74% and (ii) under the TCPC Funding Facility is the rate in effect as of September 30, 2017, which was 3.80%. Interest Payments on Borrowed Funds additionally represents interest and fees estimated to be accrued on our $108.0 million in aggregate principal amount of our 5.25% convertible senior unsecured notes due 2019, which bear interest at an annual rate of 5.25%, payable semi-annually, and are convertible into shares of our common stock under certain circumstances, our $140.0 million in aggregate principal amount of our 4.625% convertible senior unsecured notes due 2022, which bear interest at an annual rate of 4.625%, payable semi-annually, and are convertible into shares of our common stock under certain circumstances, our $175.0 million in aggregate principal amount of notes due 2022, which bear interest at an annual rate of 4.125%, payable semi-annually, and our $150.0 million of committed leverage from the SBA, which SBA debentures, once drawn, bear an interim interest rate of LIBOR plus 30 basis points, are non-recourse and may be prepaid at any time without penalty, and assumes that the committed leverage from the SBA is fully drawn. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(8) Other Expenses includes our estimated overhead expenses, including expenses of our Advisor reimbursable under the investment management agreements and of the Administrator reimbursable under the administration agreement except for certain administration overhead costs which are not currently contemplated to be charged to us. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the twelve month period ended September 30, 2017.

Example

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

	1 year	**3 years**	**5 years**	**10 years**
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net investment income(1)	$ 105	$ 260	$ 404	$ 722
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net realized capital gains(2)	$ 105	$ 260	$ 404	$ 722

(1) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 8%. Consequently, no incentive compensation would be incurred in this scenario.

(2) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 8%. Consequently, no incentive compensation would be incurred in this scenario. Assumes no unrealized capital depreciation.

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

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

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

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SELECTED FINANCIAL DATA

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

The selected consolidated financial data below for the years ended December 31, 2016 and 2015 has been derived from our consolidated financial statements that were audited by Deloitte & Touche LLP, our independent registered public accounting firm. The selected consolidated financial data below for the years ended December 31, 2014, 2013 and 2012 has been derived from our consolidated financial statements that were audited by Ernst & Young LLP, our former independent registered public accounting firm. The selected consolidated financial data at and for the three and nine months ended September 30, 2017 and 2016 have been derived from unaudited financial data, but in the opinion of our management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results at and for the three and nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. This selected financial data should be read in conjunction with our financial statements and related notes thereto, Management s Discussion and Analysis of Financial Condition and Results of Operations and Senior Securities included elsewhere in this prospectus supplement.

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

the Three Months led September 30,		For the Nine Months Ended September 30,			For the Year Ended December 31		
	2016	2017	2016	2016	2015	2014	
,097	$ 38,277,067	$ 127,103,290	$ 105,914,689	$ 145,018,414	$ 142,012,553	$ 100,923,265	$ 6
—	—	16,627	—	—	—	1,968,748	
,457	71,013	223,370	1,496,869	1,571,280	1,352,797	1,334,330	
,381	120,910	1,519,289	1,241,885	1,591,071	3,502,875	2,355,105	
,935	38,468,990	128,862,576	108,653,443	148,180,765	146,868,225	106,581,448	6
,045	6,198,850	23,863,700	17,577,859	25,192,990	18,895,977	9,821,751	
,249	4,816,043	15,624,277	13,976,545	18,881,786	18,593,660	13,646,064	
,910	1,789,040	5,888,661	5,429,882	8,283,156	7,999,070	5,012,257	
,204	12,803,933	45,376,638	36,984,286	52,357,932	45,488,707	28,480,072	1
,731	25,665,057	83,485,938	71,669,157	95,822,833	101,379,518	78,101,376	5
—	—	—	—	569,511	876,706	808,813	

731	25,665,057	83,485,938	71,669,157	95,253,322	100,502,812	77,292,563	5
234)	208,756	(12,507,714)	(3,939,136)	114,502	(22,405,111)	(27,304,578)	
—	—	—	—	—	1,675,000	—	
—	0	—	0	0	(754,140)	(1,438,172)	(
546)	(5,133,010)	(16,697,188)	(14,333,831)	(19,050,665)	(19,949,734)	(14,002,294)	(1
951	$ 20,740,803	$ 54,281,036	$ 53,396,190	$ 76,317,159	$ 59,068,827	$ 34,547,519	$ 4
0.25	$ 0.39	$ 0.96	$ 1.06	$ 1.50	$ 1.21	$ 0.88	$
0.36)	(0.36)	(1.08)	(1.08)	(1.44)	(1.44)	(1.54)	
204	52,736,835	56,390,954	50,245,035	50,948,035	48,863,188	39,395,671	2
487	$ 1,276,429,892	$ 1,528,750,487	$ 1,276,429,892	$ 1,314,969,870	$ 1,182,919,725	$ 1,146,535,886	$ 76
636	165,398,677	113,364,636	165,398,677	72,628,591	60,398,076	59,330,911	3
123	1,441,828,569	1,642,115,123	1,441,828,569	1,387,598,461	1,243,317,801	1,205,866,797	80
107	631,701,662	665,378,107	631,701,662	571,658,862	502,410,321	328,696,830	9
049	23,019,365	99,340,049	23,019,365	25,003,608	18,930,463	11,543,149	2
156	654,721,027	764,718,156	654,721,027	596,662,470	521,340,784	340,239,979	11
—	—	—	—	—	—	134,497,790	13
—	—	—	—	—	—	—	
967	$ 787,107,542	$ 877,396,967	$ 787,107,542	$ 790,935,991	$ 721,977,017	$ 731,129,028	$ 54

97	88	97	88	90	88	84	
,193	$ 146,640,427	$ 652,394,258	$ 379,816,646	$ 587,219,129	$ 500,928,009	$ 669,515,626	$ 47
,434	$ 108,178,666	$ 434,061,754	$ 294,224,143	$ 473,457,512	$ 456,059,137	$ 266,008,974	$ 23
11.0 %	11.2 %	11.0 %	11.2 %	10.9 %	10.9 %	10.9 %	

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RISKS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and in the accompanying prospectus on page 19, together with all of the other information included in this prospectus supplement and in the accompanying prospectus, before you decide whether to make an investment in our common stock. The risks set forth below and in the accompanying prospectus are not the only risks we face. If any of the adverse events or conditions described below or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value, or NAV, and the trading price of our common stock could decline, we could reduce or eliminate our dividend and you could lose all or part of your investment.

Our board of directors most recently approved NAV on September 30, 2017 and our NAV when calculated effective December 31, 2017 may be higher or lower.

Our NAV per share most recently approved by our board of directors is $14.92 as of September 30, 2017. Our NAV per share as of the date of this prospectus supplement may be higher or lower than the NAV per share approved or estimated, as applicable, as of September 30, 2017 and December 31, 2017. Our board of directors has not yet approved the fair value of our portfolio investments at any date subsequent to September 30, 2017. Our board of directors approves the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from an independent valuation firm, our Advisor and the audit committee of our board of directors. At such times as we are selling shares in this offering, a committee of our board, based on the input of our Advisor and in accordance with valuation procedures adopted by the board of directors, will periodically determine our net asset value on an interim basis between quarterly net asset value determinations.

If we incur additional leverage, it will increase the risk of investing in shares of our common stock.

The Company has indebtedness pursuant to the Leverage Program and expects, in the future, to borrow additional amounts under the SVCP Revolver and TCPC Funding Facility and may increase the size of the SVCP Revolver and TCPC Funding Facility or enter into other borrowing arrangements. The Company s portfolio must experience an annual return of 1.82% in order to cover annual interest and dividend payments under the Leverage Program as of September 30, 2017.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation is based on our level of leverage at September 30, 2017, which represented borrowings equal to 41.0% of our total assets. On such date, we also had $1,642.1 million in total assets; $1,528.8 million in total investments; an average cost of funds of 4.12%; $673.8 million aggregate principal amount of debt outstanding; and $877.4 million of total net assets. In order to compute the Corresponding Return to Common Stockholders, the Assumed Return on Portfolio (Net of Expenses Other than Interest) is multiplied by the total value of our investment portfolio at September 30, 2017 to obtain an assumed return to us. From this amount, interest expense multiplied the combined rate of interest of 4.12% by the $673.8 million of debt is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets at September 30, 2017 to determine the Corresponding Return to Common Stockholders. Actual interest payments may vary.

Assumed Return on Portfolio (Net of Expenses Other than Interest)	**-10.00%**	**-5.00%**	**0.00%**	**5.00%**	**10.00%**
Corresponding Return to Common Stockholders	-20.59 %	-11.88 %	-3.16 %	5.55 %	14.26 %

The assumed portfolio return in the table is based on SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. The table also assumes that we will maintain a constant level of leverage. The amount of leverage that we use will vary from time to time.

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Changes in laws or regulations related to U.S. federal income taxation could affect us or the holders of our common stock.

The United States Congress is currently debating the Tax Cuts and Jobs Act (Proposed Legislation) which, if ratified and signed into law, could materially impact the U.S. federal taxation of us or a holder of our stock, possibly with retroactive effect. We are unable to predict when, if, or which sections of the Proposed Legislation will become law. Even if none of the Proposed Legislation becomes law, Congress could ratify, and the president could sign into law, other pieces of legislation that could materially impact the U.S. federal taxation of us or a holder of our stock, possibly with retroactive effect. Investors should consult with their tax advisors as to the consequences of the Proposed Legislation and any current and future enacted or proposed legislation.

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USE OF PROCEEDS

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings, including sales made directly on the NASDAQ Global Select Market (Nasdaq) or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock and the net asset value per share of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. However, the offering price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less the Agent s commissions and discounts payable by us, will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering. Assuming the sale of shares of common stock having an aggregate offering price of $50,000,000, pursuant to this prospectus supplement and the accompanying prospectus, we estimate that the net proceeds would be approximately $48.9 million after deducting the Agent s estimated commissions and our estimated offering expenses.

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

As of November 27, 2017, we had $60.0 million outstanding under the SVCP Revolver, with advances generally bearing interest at LIBOR plus 2.50% per annum, subject to certain limitations. The SVCP Revolver matures July 31, 2018, subject to extension by the lender at our request.

As of November 27, 2017, we had $175.0 million outstanding under the TCPC Funding Facility, with advances generally bearing interest at LIBOR plus either 2.25% or 2.50% per annum, subject to certain limitations. The TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at our request.

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

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SENIOR SECURITIES

Information about our senior securities is shown in the following table as of the end of each fiscal year ended since the Company commenced operations. The senior securities table below has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, for the fiscal years ending December 31, 2016 and 2015 and by Ernst & Young LLP, our former independent registered public accounting firm, for each prior fiscal year.

Class and Year	Total Amount Outstanding(4)	Asset Coverage Per Unit(5)	Involuntary Liquidating Preference Per Unit(6)	Average Market Value Per Unit(7)
SVCP Facility(1)				
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$ 30,000	$ 6,397	$ —	N/A
Fiscal Year 2016	100,500	4,056	—	N/A
Fiscal Year 2015	124,500	3,076	—	N/A
Fiscal Year 2014	70,000	5,356	—	N/A
Fiscal Year 2013	45,000	8,176	—	N/A
Fiscal Year 2012	74,000	7,077	—	N/A
Fiscal Year 2011	29,000	13,803	—	N/A
Fiscal Year 2010	50,000	8,958	—	N/A
Fiscal Year 2009	75,000	5,893	—	N/A
Fiscal Year 2008	34,000	10,525	—	N/A
Fiscal Year 2007	207,000	3,534	—	N/A
Preferred Interests(2)				
Fiscal Year 2017 (as of September 30, 2017, unaudited)	N/A	N/A	N/A	N/A
Fiscal Year 2016	N/A	N/A	N/A	N/A
Fiscal Year 2015	N/A	N/A	N/A	N/A
Fiscal Year 2014	$ 134,000	$ 51,592	$ 20,074	N/A
Fiscal Year 2013	134,000	68,125	20,075	N/A
Fiscal Year 2012	134,000	50,475	20,079	N/A
Fiscal Year 2011	134,000	49,251	20,070	N/A
Fiscal Year 2010	134,000	48,770	20,056	N/A
Fiscal Year 2009	134,000	42,350	20,055	N/A
Fiscal Year 2008	134,000	42,343	20,175	N/A
Fiscal Year 2007	134,000	43,443	20,289	N/A
TCPC Funding Facility(3)				
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$ 200,000	$ 6,397	$ —	N/A
Fiscal Year 2016	175,000	4,056	—	N/A
Fiscal Year 2015	229,000	3,076	—	N/A
Fiscal Year 2014	125,000	5,356	—	N/A

Fiscal Year 2013		50,000		8,176		—	N/A
SBA Debentures							
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$	75,000	$	6,397	$	—	N/A
Fiscal Year 2016		61,000		4,056		—	N/A
Fiscal Year 2015		42,800		3,076		—	N/A
Fiscal Year 2014		28,000		5,356		—	N/A
2019 Convertible Notes							
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$	108,000	$	2,455	$	—	N/A
Fiscal Year 2016		108,000		2,352		—	N/A
Fiscal Year 2015		108,000		2,429		—	N/A
Fiscal Year 2014		108,000		3,617		—	N/A
2022 Convertible Notes							
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$	140,000	$	2,455	$	—	N/A
Fiscal Year 2016		140,000		2,352		—	N/A
2022 Notes							
Fiscal Year 2017 (as of September 30, 2017, unaudited)	$	125,000	$	2,455	$	—	N/A

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(1) The Operating Company entered into a fully drawn senior secured term loan, which was fully repaid on August 9, 2017 and the SVCP Revolver, pursuant to which amounts may currently be drawn up to $116.0 million (together, the SVCP Facility). The SVCP Facility matures July 31, 2018, subject to extension by the lender at our request.

(2) We repurchased and retired the remaining Preferred Interests on September 3, 2015.

(3) TCPC Funding entered into the TCPC Funding Facility, pursuant to which amounts may currently be drawn up to $350 million. The TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at our request.

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

(5) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. For the SVCP Facility and TCPC Funding Facility, the asset coverage ratio with respect to indebtedness is multiplied by $1,000 to determine the Asset Coverage Per Unit.

(6) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The — in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(7) Not applicable because our senior securities are not registered for public trading.

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CAPITALIZATION

The following table sets forth our actual capitalization at September 30, 2017. You should read this table together with Use of Proceeds described in this prospectus supplement and our most recent balance sheet included elsewhere in this prospectus supplement or the accompanying prospectus.

	As of September 30, 2017 Actual
Assets:	
Cash and cash equivalents	$ 71,929,885
Investments	1,528,750,487
Other assets	41,434,751
Total assets	$ 1,642,115,123
Liabilities:	
SVCP Revolver	$ 30,000,000
2019 Convertible Notes ($108 million par)	106,893,357
2022 Convertible Notes ($140 million par)	137,266,488
2022 Notes ($125 million par)	124,635,706
TCPC Funding Facility	200,000,000
SBA Debentures	75,000,000
Unamortized debt issuance costs	(8,417,444)
Other liabilities	99,340,049
Total liabilities	$ 764,718,156
Stockholders' equity:	
Common stock, par value $0.001 per share; 200,000,000 shares of common stock authorized; 58,792,364 common stock issued and outstanding, actual	58,792
Paid-in capital in excess of par	1,038,026,254
Accumulated net investment income	17,896,625
Accumulated net realized losses	(146,500,724)
Accumulated net unrealized depreciation	(32,083,980)
Non-controlling interest	—
Net assets applicable to common shareholders	$ 877,396,967
Total capitalization	$ 1,642,115,123

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PRICE RANGE OF COMMON STOCK

Our common stock began trading on April 5, 2012 and is currently traded on The Nasdaq Global Select Market under the symbol TCPC. The following table lists the high and low closing sale price for our common stock, the closing sale price as a premium (discount) to net asset value, or NAV, and quarterly distributions per share for the last two completed fiscal years and each quarter since the beginning of the current fiscal year.

		Stock Price		Premium (Discount) of High Sales Price to NAV(3)	Premium (Discount) of Low Sales Price to NAV(3)	
	NAV(1)	High(2)	Low(2)			Declared Distributions
Fiscal year ended December 31, 2015						
First Quarter	$ 15.03	$ 16.91	$ 15.22	12.5 %	1.3 %	$ 0.36
Second Quarter	$ 15.10	$ 16.49	$ 15.29	9.2 %	1.3 %	$ 0.36
Third Quarter	$ 15.10	$ 15.87	$ 13.50	5.1 %	(10.6)%	$ 0.36
Fourth Quarter	$ 14.78	$ 15.40	$ 13.80	4.2 %	(6.6)%	$ 0.36
Fiscal year ended December 31, 2016						
First Quarter	$ 14.66	$ 14.91	$ 12.36	1.7 %	(15.7)%	$ 0.36
Second Quarter	$ 14.74	$ 15.28	$ 14.21	3.7 %	(3.6)%	$ 0.36
Third Quarter	$ 14.84	$ 16.68	$ 15.35	12.4 %	3.4 %	$ 0.36
Fourth Quarter	$ 14.91	$ 17.11	$ 15.49	14.8 %	3.9 %	$ 0.36
Fiscal year ended December 31, 2017						
First Quarter	$ 14.92	$ 17.42	$ 16.36	16.8 %	9.7 %	$ 0.36
Second Quarter	$ 15.04	$ 17.42	$ 16.48	15.8 %	9.6 %	$ 0.36
Third Quarter	$ 14.92	$ 16.95	$ 15.74	13.6 %	5.5 %	$ 0.36
Fourth Quarter (through November 27, 2017)	$ (4)	$ 16.69	$ 15.72	%(4)	%(4)	$ 0.36

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.
(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.
(3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.
(4) NAV has not yet been determined.

On November 27, 2017, the closing price of our common stock was $16.04 per share. As of November 27, 2017, we had 29 stockholders of record.

The table below sets forth each class of our outstanding securities as of November 27, 2017.

Title of Class	Amount Authorized	Amount Held by Registrant or for its Account	Amount Outstanding

Common Stock	200,000,000	—	58,792,364

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

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

Overview

The Holding Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. The Holding Company 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), $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), $125.0 million in senior unsecured notes issued by the Holding Company maturing in 2022 (the 2022 Notes) and $150.0 million in committed leverage from the SBA (the SBA Program and, together with the SVCP Revolver, the TCPC Funding Facility, the 2019 Convertible Notes, the 2022 Convertible Notes and the 2022 Notes, the Leverage Program).

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Internal Revenue Code of 1986, as amended (the Code), 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.

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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 September 30, 2017, 87.4% 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).

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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 60 days are generally valued at amortized cost, when we reasonably determine that such amortized cost 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

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an asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

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

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

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

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

As of September 30, 2017, less than 0.1% of our investments were categorized as Level 1, 9.9% were categorized as Level 2, 89.9% 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.

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 September 30, 2017, we invested approximately $245.7 million, comprised of new investments in nine new and seven existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.6% were in senior secured debt comprised of senior secured loans ($236.3 million, or 96.2% of total acquisitions) and senior secured notes ($3.4 million, or 1.4% of total acquisitions). The remaining $6.0 million (2.4% of total acquisitions) were comprised of equity investments including $2.8 million in equity interests in two portfolios of debt and lease assets and warrants received in connection with a debt investment. Additionally, we received approximately $158.1 million in proceeds from sales or repayments of investments during the three months ended September 30, 2017.

During the three months ended September 30, 2016, we invested approximately $146.6 million, comprised of new investments in eight new and five existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 96.2% were in senior secured debt comprised of senior secured loans ($133.4 million, or 91.0% of total acquisitions) and senior secured notes ($7.7 million, or 5.2% of total acquisitions). The remaining $5.5 million (3.8% of total acquisitions) were comprised of equity interests in two portfolios of debt and lease assets. Additionally, we received approximately $108.2 million in proceeds from sales or repayments of investments during the three months ended September 30, 2016.

During the nine months ended September 30, 2017, we invested approximately $652.4 million, comprised of new investments in 22 new and 17 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.2% were in senior secured debt comprised of senior secured loans ($613.5 million, or 94.0% of total acquisitions) and senior secured notes ($20.8 million, or 3.2% of total acquisitions). The remaining $18.1 million (2.8% of total acquisitions) were comprised of equity investments including $13.9 million in equity interests in two portfolios of debt and lease assets, and warrants received in connection with five debt investments. Additionally, we received approximately $434.1 million in proceeds from sales or repayments of investments during the nine months ended September 30, 2017.

During the nine months ended September 30, 2016, we invested approximately $379.8 million, comprised of new investments in 17 new and 11 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 95.1% were in senior secured debt comprised of senior secured loans ($313.7 million, or 82.6% of total acquisitions) and senior secured notes ($47.3 million, or 12.5% of total acquisitions). The remaining $18.7 million (4.9% of total acquisitions) were comprised of $17.8 million in equity interests in two portfolios of debt and lease assets, as well as $0.9 million in two warrant positions received in connection with debt investments. Additionally, we received approximately $294.2 million in proceeds from sales or repayments of investments during the nine months ended September 30, 2016.

At September 30, 2017, our investment portfolio of $1,528.8 million (at fair value) consisted of 97 portfolio companies and was invested 95.7% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 89.7% in senior secured loans, 6.0% in senior secured notes and 4.3% in equity investments. Our average portfolio company investment at fair value was approximately $15.8 million. Our largest portfolio company investment by value was approximately $45.5 million and our five largest portfolio company investments by value comprised approximately 13.6% of our portfolio at September 30, 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.

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The industry composition of our portfolio at fair value at September 30, 2017 was as follows:

Industry	Percent of Total Investments
Software Publishing	16.4 %
Computer Systems Design and Related Services	8.6 %
Data Processing and Hosting Services	5.2 %
Credit (Nondepository)	5.1 %
Air Transportation	3.6 %
Advertising, Public Relations and Marketing	3.6 %
Business Support Services	3.5 %
Lessors of Nonfinancial Licenses	3.2 %
Management, Scientific, and Technical Consulting Services	3.1 %
Hospitals	2.9 %
Pharmaceuticals	2.8 %
Scientific Research and Development Services	2.7 %
Credit Related Activities	2.6 %
Chemicals	2.5 %
Other Real Estate Activities	2.5 %
Insurance	2.4 %
Equipment Leasing	2.0 %
Other Telecommunications	2.0 %
Utility System Construction	1.9 %
Other Information Services	1.9 %
Other Publishing	1.9 %
Textile Furnishings Mills	1.8 %
Other Manufacturing	1.7 %
Amusement and Recreation	1.6 %
Wholesalers	1.4 %
Real Estate Leasing	1.2 %
Apparel Manufacturing	1.2 %
Financial Investment Activities	1.1 %
Restaurants	1.0 %
Retail	1.0 %
Educational Support Services	0.9 %
Building Equipment Contractors	0.9 %
Communications Equipment Manufacturing	0.9 %
Other	4.9 %
Total	**100.0 %**

The weighted average effective yield of the debt securities in our portfolio was 10.95% at September 30, 2017 and 10.92% at December 31, 2016. At September 30, 2017, 88.8% 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 11.2% 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 81.3% at September 30, 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 $43.3 million and $38.5 million, respectively, for the three months ended September 30, 2017 and 2016, of which $42.3 million and $38.3 million were attributable to interest and fees on our debt investments, $0.1 million and $0.1 million to lease income and $0.9 million and $0.1 million to other income, respectively. Included in interest and fees on our debt investments were $1.8 million and $3.0 million of income related to prepayments for the three months ended September 30, 2017 and 2016, respectively. The increase in investment income in the three months ended September 30, 2017 compared to the three months ended September 30, 2016 reflects an an increase in interest income due to the larger portfolio size during the three months ended September 30, 2017 compared to the three months ended September 30, 2016, and an increase in other income partially offset by a decrease in prepayment income.

Investment income totaled $128.9 million and $108.7 million, respectively, for the nine months ended September 30, 2017 and 2016, of which $127.1 million and $105.9 million were attributable to interest and fees on our debt investments, $0.2 million and $1.5 million to lease income and $1.6 million and $1.3 million to other income, respectively. Included in interest and fees on our debt investments were $13.5 million and $5.9 million of non-recurring income related to prepayments for the nine months ended September 30, 2017 and 2016, respectively. The increase in investment income in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 reflects an increase in interest income due to the increase in prepayment income and the larger portfolio size during the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016, partially offset by a decrease in lease income.

Expenses

Total operating expenses for the three months ended September 30, 2017 and 2016 were $15.7 million and $12.8 million, respectively, comprised of $8.2 million and $6.2 million in interest expense and related fees, $5.6 million and $4.8 million in base management fees, $0.3 million and $0.6 million in legal and professional fees, $0.6 million and $0.4 million in administrative expenses, and $1.0 million and $0.8 million in other expenses, respectively. The increase in expenses in the three months ended September 30, 2017 compared to the three months ended September 30, 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 issuances of the 2022 Convertible Notes and 2022 Notes and the increase in LIBOR rates during the period.

Total operating expenses for the nine months ended September 30, 2017 and 2016 were $45.4 million and $37.0 million, respectively, comprised of $23.9 million and $17.6 million in interest expense and related fees, $15.6 million and $14.0 million in base management fees, $1.7 million and $1.3 million in administrative expenses, $1.1 million and $1.8 million in legal and professional fees, and $3.1 million and $2.3 million in other expenses, respectively. The increase in expenses in the nine months ended September 30, 2017 compared to the nine months ended September 30, 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 2022 Notes and the increase in LIBOR rates during the period.

Net investment income

Net investment income was $27.6 million and $25.7 million, respectively, for the three months ended September 30, 2017 and 2016. The increase in net investment income in the three months ended September 30, 2017 compared to the three months ended September 30, 2016 primarily reflects the increase in investment income, partially offset by the increase in expenses in the three months ended September 30, 2017.

Net investment income was $83.5 million and $71.7 million, respectively, for the nine months ended September 30, 2017 and 2016. The increase in net investment income in the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 primarily reflects the increase in investment income, partially offset by the increase in expenses in the nine months ended September 30, 2017.

Net realized and unrealized gain or loss

Net realized losses for the three months ended September 30, 2017 and 2016 were $4.7 million and $0.7 million, respectively. Net realized losses during the three months ended September 30, 2017 were comprised primarily of $2.8 million on the expiration of our Rightside warrants and $1.9 million on the disposition of our Fuse notes, respectively. Both positions have generated significant interest and other income. The Rightside warrants were allocated value at acquisition in connection with our funding of loans to Rightside at a significant discount to par. The Rightside loans were repaid in full during 2016.

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Net realized losses for the nine months ended September 30, 2017 and 2016 were $11.5 million and $4.0 million, respectively. Net realized losses during the nine months ended September 30, 2017 were comprised primarily of a $10.1 million loss realization on the restructuring of our loan to Iracore, a $3.5 million loss realization on the restructuring of our loan to Avanti Communications Group, the realized losses on Rightside and Fuse Media and a $1.5 million loss on the disposition of our investment in Integra Telecom Holdings, partially offset by a $7.0 million gain on the sale of our equity in Blackline and $1.7 million gain on the sale of our equity in Soasta. The net realized loss during the nine months ended September 30, 2016 was primarily due to the taxable reorganization of our investment in Boomerang Tube, LLC.

For the three months ended September 30, 2017 and 2016, the change in net unrealized appreciation/depreciation was $(2.8) million and $0.9 million, respectively. The change in net unrealized appreciation/depreciation for the three months ended September 30, 2017 was primarily due to a $2.3 million markdown on Edmentum, $2.0 million markdown of Kawa, and $2.1 million markdown of Real Mex, partially offset by the reversal of previously recognized unrealized losses. The change in net unrealized appreciation/depreciation for the three months ended September 30, 2016 was comprised primarily of mark-to-market adjustments resulting from narrower market yield spreads during the quarter.

For the nine months ended September 30, 2017 and 2016, the change in net unrealized appreciation/depreciation was $(1.0) million and $0.0 million, respectively. The change in net unrealized appreciation/depreciation for the nine months ended September 30, 2017 was comprised primarily of a $8.1 million markdown of Kawa as well as a $4.6 million markdown of Real Mex in line with industry comparables, partially offset by the reversal of previously recognized unrealized losses as well as various market gains resulting from generally tighter spreads.

Income tax expense, including excise tax

The Holding Company has elected to be treated as a RIC under Subchapter M of the Code and operates and intends to continue to operate, 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 nine months ended September 30, 2017 and 2016.

Incentive compensation

Incentive compensation distributable to the General Partner for the three months ended September 30, 2017 and 2016 was $5.5 million and $5.1 million, respectively. Incentive compensation for the three months ended September 30, 2017 and 2016 was distributable due to our performance exceeding the total return threshold.

Incentive compensation distributable to the General Partner for the nine months ended September 30, 2017 and 2016 was $16.7 million and $14.3 million, respectively. Incentive compensation for the nine months ended September 30, 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 applicable to common shareholders resulting from operations was $14.6 million and $20.7 million for the three months ended September 30, 2017 and 2016, respectively. The lower net increase in net assets applicable to common shareholders resulting from operations during the three months ended September 30, 2017 is primarily due to the net realized and unrealized loss during the three months ended September 30, 2017 compared to the net realized and unrealized gain during the three months ended September 30, 2016, partially offset by the increase in net investment income after incentive compensation.

The net increase in net assets applicable to common shareholders resulting from operations was $54.3 million and $53.4 million for the nine months ended September 30, 2017 and 2016, respectively. The

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higher net increase in net assets applicable to common shareholders resulting from operations during the nine months ended September 30, 2017 is primarily due to the higher net investment income during the nine months ended September 30, 2017 compared to the nine months ended September 30, 2016 partially offset by the larger net realized and unrealized loss during the nine months ended September 30, 2017 compared to the nine months ended September 30, 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 nine months ended September 30, 2017.

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	464	$ 16.93 *	$ 7,854
April 25, 2017 public offering	5,750,000	16.84	93,597,500

* 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.

	Shares Issued	Price Per Share	Net Proceeds
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 November 2, 2017, to be in effect through the earlier of two trading days after our third quarter

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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 nine months ended September 30, 2017.

Total leverage outstanding and available under the combined Leverage Program at September 30, 2017 were as follows:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
SVCP Revolver	2018	L+2.50 %†	$ 30,000,000	$ 86,000,000	$ 116,000,000
2019 Convertible Notes ($108 million par)	2019	5.25 %	106,893,357	—	106,893,357
2022 Convertible Notes ($140 million par)	2022	4.625 %	137,266,488	—	137,266,488
2022 Notes ($125 million par)	2022	4.125 %	124,635,706	—	124,635,706
TCPC Funding Facility	2021	L+2.50 %‡	200,000,000	150,000,000	350,000,000
SBA Debentures	2024−2027	2.57 %§	75,000,000	75,000,000	150,000,000
Total leverage			673,795,551	$ 311,000,000	$ 984,795,551
Unamortized issuance costs			(8,417,444)		
Debt, net of unamortized issuance costs			$ 665,378,107		

* Except for the convertible notes and 2022 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 nine months ended September 30, 2017 was $104.3 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of $208.2 million, partially offset by net investment income less incentive allocation (net of non-cash income and expenses) of approximately $103.9 million.

Net cash provided by financing activities was $122.7 million during the nine months ended September 30, 2017, consisting primarily of $124.6 million of proceeds from the issuance of debt on August 11, 2017 and $93.6 million of net proceeds from the public offering of common stock on April 25, 2017, reduced by the $61.4 million in regular dividends paid on common equity, $31.5 million of net repayments of debt and payment of $2.6 million in debt issuance costs.

At September 30, 2017, we had $71.9 million in cash and cash equivalents.

The SVCP Revolver 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 Revolver and the TCPC Funding Facility, and may therefore impact our ability to borrow under the SVCP Revolver and the TCPC Funding Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At September 30, 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

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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 Revolver, the 2019 Convertible Notes, the 2022 Convertible Notes, the 2022 Notes and the TCPC Funding Facility mature in July 2018, December 2019, March 2022, August 2022 and April 2021, 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.

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The following tables summarize dividends declared for the nine months ended September 30, 2017 and 2016:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 22, 2017	March 17, 2017	March 31, 2017	Regular	$ 0.36	$ 19,095,084
May 9, 2017	June 16, 2017	June 30, 2017	Regular	0.36	21,165,137
August 3, 2017	September 15, 2017	September 29, 2017	Regular	0.36	21,165,193
				$ 1.08	$ 61,425,414

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 24, 2016	March 17, 2016	March 31, 2016	Regular	$ 0.36	$ 17,530,963
May 10, 2016	June 16, 2016	June 30, 2016	Regular	0.36	18,254,229
August 9, 2016	September 16, 2016	September 30, 2016	Regular	0.36	19,094,976
				$ 1.08	$ 54,880,168

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the nine months ended September 30, 2017 and 2016:

	2017	2016
Shares Issued	464	311
Average Price Per Share	$ 16.93	$ 15.08
Proceeds	$ 7,854	$ 4,691

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

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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.

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Recent Developments

From October 1, 2017 through November 3, 2017, the Operating Company has invested approximately $68.1 million primarily in four senior secured loans with a combined effective yield of approximately 10.0%.

On November 2, 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 fourth quarter 2017 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2017, the Company issued $50 million in aggregate principal amount of 4.125% notes due 2022 for proceeds of approximately $49.1 million, net of underwriter discounts and approximately $0.3 million of expenses related to the offering. The notes are a further issuance to the 2022 Notes that the Company issued on August 11, 2017, and are treated as a single series with the existing 2022 Notes under the indenture.

On November 7, 2017, the Company s board of directors declared a fourth quarter regular dividend of $0.36 per share payable on December 29, 2017 to stockholders of record as of the close of business on December 15, 2017.

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. At September 30, 2017, 88.8% 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 September 30, 2017, the percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 81.3%. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

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

Based on our September 30, 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	$ 45,988,135	$ (9,150,000)	$ 36,838,135
Up 200 basis points	32,119,293	(6,100,000)	$ 26,019,293
Up 100 basis points	18,250,452	(3,050,000)	$ 15,200,452
Down 100 basis points	(7,085,379)	3,050,000	$ (4,035,379)
Down 200 basis points	(8,033,856)	4,036,065	$ (3,997,791)
Down 300 basis points	(8,033,856)	4,036,065	$ (3,997,791)

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PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement, dated as of November 28, 2017 (the Equity Distribution Agreement), with the Agent under which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to $50,000,000. Sales of our shares, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings, including sales made directly on Nasdaq or sales made to or through a market maker other than on an exchange.

Upon its acceptance of written instructions from us, the Agent will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase our shares under the terms and subject to the conditions set forth in the Equity Distribution Agreement. We will instruct the Agent as to the amount of shares to be sold by it. We may instruct the Agent not to sell shares if the sales cannot be effected at or above the price designated by us in any instruction. The offering price per share of our common stock sold in this offering less the Agent s commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering. We or the Agent may suspend the at the market offerings of shares upon proper notice and subject to other conditions.

The Agent will provide written confirmation to us no later than 9:30 a.m. (New York City time) on the trading day following the trading day in which shares were sold under the Equity Distribution Agreement. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to us and the compensation payable by us to the Agent in connection with the sales.

We will pay the Agent a commission for its services in acting as sales agent and/or principal in the sale of shares. The Agent will be entitled to compensation that will not exceed, but may be up to, 2.0% of the gross sales price of all shares sold through it under the Equity Distribution Agreement. We estimate that the total expenses for the at the market offerings, excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement, will be approximately $150,000. In connection with the sale of shares on our behalf, the Agent may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation paid to the Agent may be deemed to be underwriting commissions and discounts.

Settlement of sales of shares will occur on the third trading day (or such earlier day as is industry practice for regular-way trading) following the date on which any sales are made, or on some other date that is agreed upon by us and the Agent in connection with a particular transaction, in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of shares sold through the Agent under the Equity Distribution Agreement and the net proceeds to us in connection with the sales of shares.

If we or the Agent have reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the Securities Exchange Act are not satisfied, we or the Agent will promptly notify the other parties, and sales of shares under the Equity Distribution Agreement will be suspended until that or other exemptive provisions have been satisfied in the judgment of the Agent and us.

The at the market offerings of shares pursuant to the Equity Distribution Agreement will terminate upon the earlier of (1) the issuance and sale of shares having an aggregate offering price of $50,000,000 pursuant to the Equity Distribution Agreement and (2) the termination of the Equity Distribution Agreement so that the Agent no longer remains subject thereto. The Equity Distribution Agreement may be terminated by the Agent as to itself or us at any time upon three days notice, and by the Agent as to itself at any time in certain circumstances, including our failure to maintain a listing of our shares on the Nasdaq or the occurrence of a material adverse change in the company.

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

Our common stock is listed on Nasdaq under the symbol TCPC.

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Other Relationships

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

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

Principal Business Address

The principal business address of Raymond James & Associates, Inc. is 880 Carillon Parkway, St. Petersburg, FL 33716.

LEGAL MATTERS

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

ADDITIONAL INFORMATION

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

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act. You may obtain free copies of this information, request a free copy of the SAI, the table of contents of which is on page S-1 of this prospectus supplement, and make inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. You may also inspect and copy these reports, proxy statements and other information, as well as the registration statement of which the accompanying prospectus forms a part and the related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public

Reference Room by calling the SEC at 1-800-SEC-0330. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC s Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102. In addition, the SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC at http://www.sec.gov.

No dealer, salesperson or other individual has been authorized to give any information or to make any representation other than those contained in this prospectus supplement and the accompanying prospectus and, if

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

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An SAI dated as of November 28, 2017, has been filed with the SEC and is incorporated by reference in this prospectus supplement. An SAI may be obtained without charge by writing to us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us at (310) 566-1094. The Table of Contents of the SAI is as follows:

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TCP Capital Corp.

Financial Statements

Special Value Continuation Partners, LP

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TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	September 30, 2017 (unaudited)	December 31, 2016
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of $1,378,833,997 and $1,174,421,611, respectively)	$ 1,389,967,667	$ 1,175,097,468
Companies 5% to 25% owned (cost of $86,080,592 and $75,508,585, respectively)	74,735,725	69,355,808
Companies more than 25% owned (cost of $95,435,060 and $96,135,623, respectively)	64,047,095	70,516,594
Total investments (cost of $1,560,349,649 and $1,346,065,819, respectively)	1,528,750,487	1,314,969,870
Cash and cash equivalents	71,929,885	53,579,868
Accrued interest income:		
Companies less than 5% owned	17,600,493	12,713,025
Companies 5% to 25% owned	2,237,834	953,561
Companies more than 25% owned	11,763	25,608
Receivable for investments sold	13,414,257	—
Deferred debt issuance costs	3,664,315	3,828,784
Prepaid expenses and other assets	4,506,089	1,527,745
Total assets	1,642,115,123	1,387,598,461
Liabilities		
Debt, net of unamortized issuance costs of $8,417,444 and $8,247,426, respectively	665,378,107	571,658,862
Payable for investments purchased	85,545,089	12,348,925
Incentive allocation payable	5,513,546	4,716,834
Interest payable	4,526,655	5,013,713
Payable to the Advisor	1,094,249	325,790
Unrealized depreciation on swaps	470,202	—
Accrued expenses and other liabilities	2,190,308	2,598,346
Total liabilities	764,718,156	596,662,470
Commitments and contingencies (Note 5)		
Net assets applicable to common shareholders	**$ 877,396,967**	**$ 790,935,991**

Composition of net assets applicable to common shareholders		
Common stock, $0.001 par value; 200,000,000 shares authorized, 58,792,364 and 53,041,900 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	$ 58,792	$ 53,042
Paid-in capital in excess of par	1,038,026,254	944,426,650
Accumulated net investment income	17,896,625	12,533,289
Accumulated net realized losses	(146,500,724)	(134,960,267)
Accumulated net unrealized depreciation	(32,083,980)	(31,116,723)
Net assets applicable to common shareholders	$ 877,396,967	$ 790,935,991
Net assets per share	$ 14.92	$ 14.91

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents[(A)]										
ing, elations rketing										
re Labs,	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81%	10.19%	6/1/2020	$ 18,750,000	$ 18,383,852	$ 18,334,875	1.15
Inc. re)	First Lien Delayed Draw Tranche 1 Term Loan (4.00% Exit Fee)	LIBOR (M)	1.37 %	8.13%	9.50%	12/31/2019	$ 24,897,542	24,372,226	24,353,215	1.52
y Media gies,	First Lien UK Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	10.00%	11.32%	1/10/2020	$ 8,170,996	8,170,996	8,170,996	0.51
y Media gies,	First Lien US Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	8.50%	9.82%	1/10/2020	$ 2,647,385	2,647,385	2,647,385	0.17
								53,574,459	53,506,471	3.35
rtation										
Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.63%	7/15/2022	$ 12,478,783	12,326,601	12,728,359	0.80
lines,	Engine Acquisition	LIBOR (M)	—	7.25%	8.50%	12/14/2021	$ 15,025,436	14,800,541	15,029,944	0.94

	Delayed Draw Term Loan A									
rlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	8.50%	2/28/2022	$ 8,723,671	8,589,297	8,680,488	0.54 %
rlines,	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	8.50%	7/31/2022	$ 3,621,731	3,566,306	3,578,814	0.22 %
rlines,	Engine Acquisition Delayed Draw Term Loan C-1	LIBOR (M)	—	7.25%	8.50%	9/30/2022	$ 5,560,909	5,463,631	5,466,652	0.34 %
								44,746,376	45,484,257	2.84 %
nent and on										
thern , LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.83%	11/3/2020	$ 24,342,738	23,968,373	24,707,879	1.54 %
thern , LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$ —	(13,214)	12,842	—
								23,955,159	24,720,721	1.54 %
cturing										
ros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75%	7.05%	6/3/2021	$ 8,957,976	8,836,152	9,047,555	0.57 %
ros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.55%	6/3/2021	$ 9,305,317	9,190,600	9,463,507	0.59 %
								18,026,752	18,511,062	1.16 %
ent tors										
atacom cal, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.74%	7/25/2021	$ 13,805,441	13,635,230	13,915,884	0.87 %

Services										
Global gies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(3,251)	(18,600)	—
Global gies,	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	10.57%	11/30/2019	$ 23,000,000	22,776,712	22,893,050	1.43 %
rway ons, Inc. vantage)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.57%	6/30/2023	$ 31,000,000	30,624,810	29,267,100	1.83 %
								53,398,271	52,141,550	3.26 %
ls										
Plant , LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)	—	10.63%	12.00%	2/1/2018	$ 2,824,919	2,829,948	2,824,919	0.18 %
ologics,	Convertible Note	Fixed	—	10.00% PIK	10.00%	6/30/2019	$ 7,500,000	7,355,902	5,853,750	0.37 %
ologics,	Sr Secured Term Loan (12.4% Exit Fee)	Fixed	—	10.00% PIK	10.00%	12/31/2020	$ 8,106,004	7,940,893	6,376,993	0.40 %
E1 B.V. nds)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.33%	10/12/2021	$ 877,431	872,110	927,444	0.06 %
E1 B.V. nds)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.33%	10/12/2021	$ 3,792,122	3,768,558	4,008,273	0.25 %
E1 B.V. nds)	First Lien Term Loan	EURIBOR (Q)	—	8.00%	8.00%	10/12/2021	€ 6,418,239	7,011,284	8,014,710	0.50 %
Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81%	11.19%	4/1/2019	$ 10,000,000	9,604,298	9,828,000	0.61 %
								39,382,993	37,834,089	2.37 %
nications ent cturing										
mm Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	9.05%	12/11/2018	$ 14,442,682	14,298,255	13,409,308	0.84 %

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nts d)										
ository)										
k SPV,	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50 %	9.50%	10.73%	12/21/2021	$ 32,392,942	$ 31,954,106	$ 32,602,257	2.04 %
ome c.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.74%	6/30/2020	$ 15,555,556	15,399,451	15,735,556	0.98 %
n Group Islands)	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,593,384	29,538,340	1.85 %
								75,946,941	77,876,153	4.87 %
elated										
nion s, LLC	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	4/21/2022	$ 25,000,000	24,765,887	25,108,750	1.57 %
usiness ce, LP rce)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.09%	12/20/2021	$ 14,659,047	14,532,703	14,644,388	0.91 %
usiness ce, LP rce)	Revolver	LIBOR (Q)	1.00 %	6.75%	8.09%	12/20/2021	$ 89,514	83,765	88,843	0.01 %
								39,382,355	39,841,981	2.49 %
r Design ted										

.	First Lien Incremental Term Loan	LIBOR (Q)	1.00 %	6.75%	8.08%	9/1/2022	$ 7,969,241	7,849,702	7,849,702	0.49 %
.	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.08%	9/1/2022	$ 9,900,000	9,731,240	9,751,500	0.61 %
ate Corp.	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.32%	3/14/2024	$ 10,925,551	10,612,225	10,696,115	0.67 %
ket, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.37%	2/10/2021	$ 15,750,000	15,285,565	15,750,000	0.98 %
onco,	First Lien Bridge Term Loan	LIBOR (M)	1.00 %	6.00% Cash +2.00% PIK	9.38%	10/13/2017	$ 3,182,143	3,163,821	3,182,143	0.20 %
onco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.32%	11/4/2019	$ 43,214,417	42,779,942	39,178,191	2.45 %
onco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.32%	11/4/2019	$ 3,182,143	3,182,143	2,884,931	0.18 %
Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.83%	8/16/2021	$ 23,295,455	22,722,018	23,295,455	1.46 %
Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	N/A	8/16/2021	$ —	(39,766)	—	—
rprise Ltd.	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 2,296,200	2,296,200	2,296,200	0.14 %
rprise Ltd.	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 10,240,000	10,210,950	10,240,000	0.64 %
, LLC	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 3,702,400	3,702,400	3,702,400	0.23 %
, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 3,120,000	3,121,990	3,120,000	0.19 %
								134,618,430	131,946,637	8.24 %
cessing ing										
App nc.	First Lien Term Loan	LIBOR (M)	1.00 %	6.50%	7.74%	9/20/2022	$ 22,647,306	22,197,368	22,194,361	1.39 %
App nc.	First Revolver	LIBOR (M)	1.00 %	6.50%	N/A	9/20/2022	$ —	(30,014)	—	—
Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	9/20/2025	$ 10,578,112	10,525,221	10,694,947	0.67 %

on	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.24%	4/3/2022	$ 8,184,324	8,069,799	8,286,628	0.52 %
Centers, C	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 15,000,000	15,000,000	15,000,000	0.94 %
ure,	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.30%	5/1/2022	$ 12,022,227	11,852,990	11,895,993	0.74 %
ure,	Revolver	LIBOR (Q)	1.00 %	7.00%	N/A	5/1/2022	$ —	(18,491)	(14,096)	—
LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.49%	5/5/2025	$ 9,675,000	9,608,020	9,872,564	0.62 %
								77,204,893	77,930,397	4.88 %
nal Services										
n, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	—
n LLC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 3,033,675	3,033,675	3,033,675	0.19 %
n LLC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 14,054,482	13,646,311	11,173,317	0.70 %
								16,679,986	14,206,992	0.89 %
c ent turing										
.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44 %	9.33%	10.71%	3/1/2018	$ 7,570,571	7,488,052	7,394,555	0.46 %
.	Tranche B Term Loan	LIBOR (M)	0.44 %	9.33%	10.71%	3/1/2018	$ 1,603,779	1,579,327	1,567,373	0.10 %
								9,067,379	8,961,928	0.56 %
nt										
et artners LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 21,696,871	21,696,871	21,696,871	1.36 %
ean, exel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,696,898	1,696,898	—	—
								23,393,769	21,696,871	1.36 %

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investment
ments nued)										
ies rt es										
∖ opment	First Lien Term Loan B	LIBOR (Q)	1.25 %	6.75%	8.08%	3/15/2018	$ 233,324	$ 230,588	$ 230,990	0.01 %
ry Stores										
, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	8.80%	10.30%	10/8/2019	$ 5,727,386	5,705,475	5,727,386	0.36 %
tals										
Iealthcare,	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.45%	2/6/2020	$ 14,792,003	14,707,122	14,939,923	0.93 %
Coast gs ment, LLC care)	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	2/14/2021	$ 29,288,064	28,909,527	29,280,742	1.83 %
								43,616,649	44,220,665	2.76 %
ance										
Group ediate gs, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	5.50%	6.74%	12/30/2022	$ 124,583	116,283	126,249	0.01 %
Group ediate gs, Inc.	First Lien Revolver	LIBOR (Q)	1.00 %	5.50%	N/A	12/30/2021	$ —	(7,558)	—	—
Group ediate	First Lien Term Loan	LIBOR (Q)	1.00 %	5.50%	6.74%	12/30/2022	$ 3,390,085	3,360,563	3,396,866	0.21 %

gs, Inc.										
ation er ts ors, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.99%	6/8/2023	$ 8,277,983	8,130,115	8,257,288	0.52 %
ple o, LLC v ology)	First Lien FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.91%	8/29/2019	$ 20,060,606	19,698,428	20,060,606	1.25 %
ple o, LLC v ology)	First Lien Incremental Tranche B FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.97%	8/29/2019	$ 4,320,000	4,245,257	4,320,000	0.27 %
								35,543,088	36,161,009	2.26 %
rs of nancial es										
ediate gs 2, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.75%	8.99%	9/29/2025	$ 15,000,000	14,887,500	15,150,000	0.95 %
th Cole ctions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.65%	10.90%	3/21/2022	$ 33,544,709	33,232,910	33,199,199	2.07 %
								48,120,410	48,349,199	3.02 %
gement, ific, and ical lting es										
nel, LLC pe)	First Lien Last Out Term Loan	LIBOR (M)	1.00 %	10.77% Cash +0.50% PIK	12.60%	6/16/2022	$ 24,259,932	23,339,619	23,495,744	1.47 %
Data & ics, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	10.06%	10/31/2019	$ 23,297,434	23,037,915	23,297,434	1.45 %
								46,377,534	46,793,178	2.92 %
n Picture ideo tries										
Holdings, CORE ainment)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.33%	10/17/2022	$ 1,548,210	1,548,210	1,548,210	0.10 %
nation es										

tional,	Delayed Draw Term Loan	LIBOR (Q)	1.00 %	8.50%	9.84%	7/31/2020	$	1,251,626	1,231,645	1,246,933	0.08 %
tional,	Revolver Loan	LIBOR (Q)	1.00 %	8.50%	9.84%	7/31/2020	$	491,303	482,070	489,092	0.03 %
tional,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.83%	7/31/2020	$	15,213,518	15,042,452	15,179,287	0.95 %
verorg,	Second Lien Term Loan	LIBOR (M)	1.00 %	8.50%	9.74%	2/26/2024	$	12,839,252	12,712,038	12,710,859	0.79 %
									29,468,205	29,626,171	1.85 %
facturing											
Holding	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$	4,869,577	4,869,577	4,869,577	0.30 %
Holding	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$	9,268,000	7,586,317	9,268,000	0.58 %
Holding	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$	1,049,146	1,049,146	1,049,146	0.06 %
									13,505,040	15,186,723	0.94 %
hing											
v, LLC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$	—	(24,000)	—	—
v, LLC	First Lien Term Loan	LIBOR (Q)	—	9.00%	10.31%	4/29/2021	$	8,247,890	8,121,791	8,313,875	0.52 %
ktmedia , LLC	First Lien Term Loan B	LIBOR (M)	1.00 %	6.50%	7.75%	12/23/2021	$	13,125,000	11,957,589	13,075,781	0.82 %
Point rk ons, LLC	First Lien Second Out Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	6/26/2022	$	7,003,544	6,916,582	6,916,000	0.43 %
Point rk ons, LLC	Revolver	LIBOR (M)	1.00 %	7.50%	N/A	6/26/2022	$	—	(5,366)	(5,506)	—
									26,966,596	28,300,150	1.77 %

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% o Tota Casl and Investm
ments										
ticals										
cals	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.75%	9.99%	8/7/2019	$ 44,047,447	$ 42,913,836	$ 43,122,451	2.69
Estate										
, Inc.	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	8.96%	10.29%	12/23/2019	$ 12,794,670	12,703,330	12,794,670	0.80
elect LC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.26%	4/17/2024	$ 25,202,549	24,954,120	25,782,207	1.61
								37,657,450	38,576,877	2.41
nications										
nnologies,	Second Lien Term Loan	LIBOR (M)	1.25 %	7.75%	9.00%	4/30/2021	$ 4,516,129	4,470,968	4,542,458	0.28
nnologies,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25%	9.25%	6/20/2025	$ 25,846,154	25,620,000	26,120,769	1.63
								30,090,968	30,663,227	1.91
ring										
national,	First Lien Term Loan	LIBOR (M)	1.00 %	9.00%	10.25%	4/13/2021	$ 1,900,733	1,900,733	1,900,733	0.12
Television g										
oldco,	Second Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.23%	1/23/2023	$ 11,536,391	11,508,154	11,644,545	0.73
Leasing										
			—	9.50%	10.74%	1/12/2020	$ 14,000,000	13,879,590	13,748,000	0.86

nancial LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)								
rs of .	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.23%	10/13/2022	$ 5,000,000	4,913,427	5,100,000	0.32
								18,793,017	18,848,000	1.18
s										
LC (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 2,072,771	2,072,771	1,705,683	0.11
LC (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/30/2018	$ 4,892,097	4,608,710	4,892,097	0.30
LC (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 10,327,904	10,327,904	—	—
LC (Real	Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 3,252,610	3,237,187	2,676,572	0.17
LC (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$ 6,490,093	6,490,093	6,490,103	0.40
								26,736,665	15,764,455	0.98
c.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.81%	3/15/2021	$ 4,432,934	4,361,693	4,399,687	0.27
Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.84%	10.07%	9/12/2022	$ 11,149,443	10,871,171	10,870,707	0.68
								15,232,864	15,270,394	0.95
nications										
ions (United	Sr New Money Initial Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 1,273,204	1,240,014	1,062,330	0.07
ions (United	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 3,248,857	3,166,787	2,710,765	0.17
ions (United	Sr Secured Third-Priority Note	Fixed	—	12.00%	12.00%	10/1/2023	$ 6,729,804	3,428,151	1,716,100	0.11
								7,834,952	5,489,195	0.35

esearch oment										
ings, Inc. atories,	First Lien Term Loan	LIBOR (Q)	—	2.50%	3.81%	4/29/2020	$ 1,857,267	1,671,540	1,798,456	0.11
ings, Inc. atories,	Second Lien Term Loan	LIBOR (Q)	—	2.50%	3.81%	4/29/2020	$ 4,189,589	2,787,440	4,084,849	0.25
ings, Inc. atories,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	11/3/2021	$ 34,930,560	34,339,828	35,017,889	2.19
								38,798,808	40,901,194	2.55
nishings										
rpet Mills,	First Lien Term Loan (1.5% Exit Fee)	LIBOR (Q)	1.00 %	10.00% Cash +1.00% PIK	12.30%	12/19/2019	$ 21,061,727	21,061,727	20,988,011	1.31
rpet Mills,	First Lien Term Loan B (1.5% Exit Fee)	LIBOR (Q)	1.00 %	10.00% Cash +1.00% PIK	12.30%	12/19/2019	$ 7,224,662	7,124,139	7,199,375	0.45
								28,185,866	28,187,386	1.76

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% Tot Cash Investr
ents										
s, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	7.75%	9.08%	6/1/2025	$ 7,611,914	$ 7,536,412	$ 7,726,092	0.4
lishing										
ational erland)	First Lien Term Loan	LIBOR (Q)	1.00 %	13.00% Cash +2.00% PIK	16.31%	7/16/2018	$ 17,446,997	17,452,145	17,446,997	1.0
	First Lien Term Loan (2.0% Exit Fee)	LIBOR (M)	1.00 %	7.50% Cash +1.00% PIK	9.88%	11/1/2020	$ 35,204,503	34,711,491	34,708,120	2.1
A), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	11.00%	1/31/2020	$ 30,534,114	30,242,898	30,089,843	1.8
C	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	10.06%	3/31/2019	$ 36,505,910	36,256,859	36,816,210	2.3
onal (United	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.24%	11/4/2021	$ 26,358,696	25,825,375	25,939,592	1.6
Iax	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.33%	9/19/2025	$ 24,325,623	24,082,367	24,386,437	1.5
	First Lien Term Loan	LIBOR (Q)	—	2.80% Cash +8.45% PIK	12.63%	1/26/2022	$ 19,316,029	18,756,824	18,947,092	1.1

US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.80%	12/31/2017	$ 5,621,605	5,607,200	5,613,173	0.3
lutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	14.32%	9/10/2021	$ 11,513,362	11,235,273	11,789,683	0.7
lutions	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	14.32%	9/10/2021	$ 11,513,362	11,235,273	11,789,683	0.7
dings,	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	LIBOR (M)	—	8.88%	10.25%	9/1/2020	$ 14,529,322	13,826,524	13,876,940	0.8
	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62 %	9.88%	11.25%	1/1/2019	$ 2,255,976	2,210,023	2,224,505	0.1
ation	First Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.49%	7/31/2022	$ 16,397,517	16,077,665	16,069,567	1.0
ation	Revolver	LIBOR (M)	1.00 %	7.25%	N/A	7/31/2022	$ —	(27,167)	(28,110)	
								247,492,750	249,669,732	15
n										
lar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44%	12.81%	8/1/2020	$ 3,912,604	3,585,789	3,804,828	0.2
lar, Inc.	First Lien Delay Draw Term Loan A	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
lar, Inc.	First Lien Delay Draw Term Loan B	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
oldings ergy) nds)	Bank Guarantee Credit Facility	Fixed	—	8.00% PIK	9.34%	7/2/2018	$ 17,471,897	17,471,897	16,700,513	1.0
oldings ergy) nds)	Revolving Credit Facility	LIBOR (Q)	—	—	—	7/2/2018	$ 6,072,441	6,072,441	6,072,441	0.3
								27,130,127	26,577,782	1.6

	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.74%	9/1/2021	$	20,224,763	19,723,119	20,629,259	1.2
ications											
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.73%	5/31/2018	$	325,447	322,212	325,252	0.0
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.51%	5/31/2018	$	1,321,328	1,315,866	1,320,321	0.0
ons,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.72%	5/31/2018	$	7,110,607	7,039,918	7,106,340	0.4
									8,677,996	8,751,913	0.5
ications											
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$	10,000,000	10,000,000	11,443,750	0.7
									1,468,606,760	1,463,294,967	91.4

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Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares		Cost		Fair Value	% of Total Cash and Investments		Notes
Equity Securities														
Advertising, Public Relations and Marketing														
Foursquare Labs, Inc.	Warrants to Purchase Series E Preferred Stock						1,125,000	$	185,450	$	177,750	0.01	%	C/E/N
InMobi, Inc. (Singapore)	Warrants to Purchase Common Stock						995,902		159,270		159,245	0.01	%	C/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock						1,049,996		276,492		486,148	0.03	%	C/E/H/N
									621,212		823,143	0.05	%	
Air Transportation														
Aircraft Leased to United Airlines, Inc.														
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683		2,979,575		2,983,358	0.19	%	E/F/N
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688		3,088,529		3,057,259	0.19	%	E/F/N
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843		855,313		3,451,916	0.22	%	C/E/N

			6,923,417	9,492,533	0.60 %	
Business Support Services						
Findly Talent, LLC	Membership Units	708,229	230,938	143,133	0.01 %	C/E/N
STG-Fairway Holdings, LLC (First Advantage)	Class A Units	803,961	325,432	604,016	0.04 %	C/E/N
			556,370	747,149	0.05 %	
Chemicals						
Green Biologics, Inc.	Warrants to Purchase Stock	909,300	272,807	1,546	—	C/E/N
Nanosys, Inc.	Warrants to Purchase Preferred Stock	800,000	605,266	806,400	0.05 %	C/E/N
			878,073	807,946	0.05 %	
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	500	—	B/C/E/N
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,049	1,255,527	0.08 %	C/E/F/N
Educational Support Services						
Edmentum Ultimate Holdings, LLC	Class A Common Units	159,515	680,226	1,595	—	B/C/E/N
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	480,640	0.03 %	E/N
NEXTracker, Inc.		17,640	—	15,170	—	E/N

	Series C Preferred Stock					
			—	495,810	0.03 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock					
		3,071,860	478,899	1,843	—	C/E/N
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units					
Essex Ocean II, LLC	Membership Units	7,082,618	7,082,618	9,445,380	0.59 %	C/E/F/N
		199,430	103,398	—	—	C/E/F/N
Financial Investment Activities			7,186,016	9,445,380	0.59 %	
GACP I, LP	Membership Units					
		16,607,783	16,697,588	17,159,258	1.07 %	E/I/N
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units					
		1,312,720	—	210,035	0.01 %	B/E/N
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock					
		946,498	79,082	45,621	—	C/E/H/N

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

ssuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
quity Securities continued)											
lotion Picture and ideo Industries											
EG Parent, LLC Core Entertainment, ic.)	Class A Units						2,720,392	$ 2,772,807	$ 3,319,966	0.21 %	C/E/N
EG Parent, LLC Core Entertainment, ic.)	Class A Warrants to Purchase Class A Units						343,387	196,086	51,714	—	C/E/N
EG Parent, LLC Core Entertainment, ic.)	Class B Warrants to Purchase Class A Units						346,794	198,032	52,227	—	C/E/N
EG Parent, LLC Core Entertainment, ic.)	Litigation Trust Units						407	—	1,201,138	0.08 %	C/N
								3,166,925	4,625,045	0.29 %	
ther Ianufacturing											
GY Holding Corp.	Common Stock						1,333,527	—	—	—	B/C/E/N
AGY Holding ompany, Inc.	Series A Preferred Stock						9,778	1,091,200	11,021,542	0.69 %	B/C/E/N
								1,091,200	11,021,542	0.69 %	
lastics Ianufacturing											
acore Investments oldings, Inc.	Class A Common Stock						16,207	4,177,710	3,033,842	0.19 %	B/C/E/N

adio and Television roadcasting						
use Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	—	—	C/E/N
estaurants						
M Holdco, LLC Real Mex)	Equity Participation	24	—	—	—	B/C/E/N
M Holdco, LLC Real Mex)	Membership Units	13,161,000	2,010,777	—	—	B/C/E/N
			2,010,777	—	—	
etail						
hop Holding, LLC Connexity)	Class A Units	507,167	480,048	—	—	C/E/N
atellite elecommunications						
vanti ommunications roup, PLC (United ingdom)	Common Stock	245,368	3,086	26,300	—	C/D/H
cientific Research nd Development ervices						
ions Holdings, Inc. BPA)	Series A Warrants to Purchase Common Stock	10,287	—	—	—	C/E/N
ions Holdings, Inc. BPA)	Series B Warrants to Purchase Common Stock	16,494	—	—	—	C/E/N
			—	—	—	
oftware Publishing						
ctifio, Inc.	Warrants to Purchase Series F Preferred Stock	1,052,651	188,770	196,319	0.01 %	C/E/N
lackline, Inc.		1,797	4,449	61,313	—	C/J

	Common Stock					
radeshift, Inc.	Warrants to Purchase Series D Preferred Stock	1,712,930	577,842	528,097	0.03 %	C/E/N
tilidata, Inc.	Warrants to Purchase Preferred Stock	719,998	216,335	373,319	0.02 %	C/E/N
			987,396	1,159,048	0.06 %	
tility System onstruction						
onergy Asia oldings Limited United Kingdom)	Class B Shares	1,000,000	1,000,000	1,007,900	0.06 %	C/E/F/H/I
onergy Asia oldings Limited United Kingdom)	Ordinary Shares	3,333	7,833,333	1,827,603	0.12 %	C/E/F/H/I
lassPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock	1,100,000	248,555	290,730	0.02 %	C/E/N
awa Solar Holdings imited (Cayman lands)	Ordinary Shares	2,332,594	—	—	—	C/E/F/H/I
awa Solar Holdings imited (Cayman lands)	Series B Preferred Shares	93,023	1,395,349	243	—	C/E/F/H/I
			10,477,237	3,126,476	0.20 %	

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Wired Telecommunications Carriers											
V Telecom Investment S.C.A. (Vivacom) (Luxembourg)	Common Shares						1,393	$ 3,236,256	$ 1,976,927	0.12 %	C/D/E/H/N
Total Equity Securities								91,742,889	65,455,520	4.08 %	
Total Investments								$ 1,560,349,649	$ 1,528,750,487		
Cash and Cash Equivalents											
Cash Held on Account at Various Institutions									64,929,885	4.06 %	
Wells Fargo Government Money Market Fund									4,000,000	0.25 %	
Wells Fargo Treasury Plus Government Money Market Fund									3,000,000	0.19 %	
Cash and Cash Equivalents									71,929,885	4.50 %	
Total Cash and Investments									$ 1,600,680,372	100.00 %	M

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.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

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

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

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

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

(N) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.

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 $652,394,259 and $434,061,754, respectively, for the nine months ended September 30, 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 September 30, 2017 was $1,527,461,735 or 95.4% of total cash and investments of the Company. As of September 30, 2017, approximately 12.6% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

Options and Swaps at September 30, 2017 were as follows:

Receive	Pay	Counter Party	Maturity	Notional Amount	Fair Value	Upfront payments/ receipts	Unrealized appreciation/ depreciation
Interest at LIBOR plus 8.68% on USD 7,270,250	Interest at 8.00% on EUR 6,500,000	Wells Fargo Bank, N.A.	5/31/2019	USD 7,270,250/ EUR 6,500,000	$ (470,202)	$ —	$ (470,202)

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investment
nents (A)										
es to ediation										
s ence, LP ource)	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 %
s ence, LP ource)	Revolver	LIBOR (Q)	1.00 %	6.75%	N/A	12/20/2021	$ —	(6,669)	(6,713)	—
nt, 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 %
es to Real										
tions,	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 %
ising and ns s										
Inc. ore)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit	LIBOR (M)	0.33 %	10.17%	10.98%	9/1/2018	$ 15,000,000	14,772,946	14,704,508	1.07 %

	Fee)									
Inc. ore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
Inc. ore)	First Lien Delayed Draw Tranche 3 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
								14,772,946	14,704,508	1.07 %
ortation										
ir Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.00%	7/15/2022	$ 14,042,971	13,839,296	14,323,830	1.05 %
irlines,	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 %
irlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	N/A	2/28/2022	$ —	—	—	—
irlines,	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	N/A	12/31/2022	$ —	—	—	—
								30,098,309	30,580,935	2.24 %
ment creation										
ing I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$ —	(1,655,756)	(937,500)	(0.07)%
uthern s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.50%	11/3/2020	$ 24,220,291	23,755,180	23,735,885	1.73 %
uthern s, LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$ —	(16,444)	(17,123)	—
								22,082,980	22,781,262	1.66 %
l acturing										

Bros.,	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 %
Bros.,	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 %
arel ;s, 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 %
								21,892,884	22,241,779	1.63 %
g nent ctors										
Datacom rical,	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$ —	—	—	—
Datacom rical,	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 %
								14,092,734	14,188,374	1.04 %
ss t s										
e Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(17,798)	70,000	0.01 %
e Global ogies,	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 %
irway tions, rst age)	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 %
								54,438,625	54,763,006	4.01 %

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nents ued)										
als										
Plant ts s, 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 %
iologics,	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 %
E1 B.V. lands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$ 253,581	245,565	251,684	0.02 %
E1 B.V. lands)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$ 3,864,583	3,836,083	3,835,599	0.28 %
, 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 %
								37,071,903	36,955,240	2.70 %
nications nent cturing										
omm , 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 %
e tion Co. m)	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 %

								18,981,589	19,357,729	1.42 %
ter s Design lated s										
nc. a)	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 %
ocket, 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 %
oftware tion	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 %
o, 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 %
o, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	10.50%	8/16/2021	$ —	(47,341)	21,307	—
terprise as, Ltd. a)	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 %
terprise as, Ltd. a)	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 10,320,000	10,268,787	10,320,000	0.75 %
SA, 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 %
SA, 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 %
ll ional, 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 %
								80,505,041	81,580,508	5.94 %
rocessing sting s										
Centers, LC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 6,876,756	6,876,756	6,876,756	0.50 %
Power tion, nission tribution										
ne ble	First Lien Term Loan	Fixed	—	9.00% Cash	10.00%	9/10/2017	$ 7,518,173	7,491,471	7,442,991	0.54 %

Fund 3, onergy)				+1.00% PIK						
nic nent acturing										
nc.	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 %
nc.	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 %
								17,039,630	17,034,455	1.24 %
nent g										
eet Partners s, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 29,203,304	29,203,304	29,203,304	2.13 %
cean, plexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,685,289	1,685,289	1,718,994	0.13 %
								30,888,593	30,922,298	2.26 %
es t Services										
oment	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00%	3/15/2018	$ 879,513	834,963	853,128	0.06 %
al nent es										
ia Finance Cayman	Asset-Backed Credit Linked Notes	Fixed	—	13.13%	13.13%	8/2/2021	$ 15,000,000	15,000,000	14,994,000	1.10 %

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	
ents ed)											
Stores											
nc.	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 %	N
s											
althcare,	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 %	N
oast . nt,	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 %	N
								22,664,594	23,204,111	1.69 %	
ce											
oup iate , Inc.	First Lien Delayed Draw Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ —	(8,333)	—	—	J
oup iate , Inc.	First Lien Revolver	Prime	—	4.50%	8.25%	12/30/2021	$ —	(7,595)	—	—	J
oup iate , Inc.	First Lien Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ 3,407,121	3,373,050	3,373,050	0.25 %	N
ion											
, 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 %	N
			1.00 %	6.50%	7.50%	8/31/2021	$ 3,750,000	3,689,740	3,731,250	0.27 %	N

dings, e LLC	First Lien Term Loan	LIBOR (Q)									
ogy)	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 %	N
								34,693,137	35,231,875	2.57 %	
of ncial											
iate 2,	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 %	N
iate 2,	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 %	N
								19,831,359	20,200,000	1.47 %	
ment, c, and al ng											
ata & s, 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 %	N
Picture eo es											
ldings, ORE ment)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.00%	10/17/2022	$ 1,445,592	1,445,592	1,387,712	0.10 %	N
ository											
diation											
kk C	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 %	N
Home nc.	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 %	N
n l Group	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,568,148	29,108,170	2.13 %	E

t l nce,	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 %	N
e oldings,	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 %	N
nance I, Ltd.	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	1.09 %	E
								121,889,596	122,238,506	8.93 %	
tion											
onal,	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 %	N
onal,	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 491,303	480,225	481,674	0.04 %	N
onal,	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 %	N
s , 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 %	N
oud ited n)	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 %	E
, LLC lick)	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 %	C
								73,168,626	74,118,320	5.42 %	

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
tments **)**										
uring										
ing Corp.	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,710	0.36 %
ing Corp.	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.68 %
ing Corp.	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,147	0.08 %
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 %
Tube,	Subordinated Notes	LIBOR (M)	—	17.50%	N/A	2/1/2021	$ 1,030,741	1,030,740	107,200	0.01 %
								19,436,393	20,294,057	1.50 %
lishing										
LC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$ —	$ (24,000)	$ 15,000	—
LC	First Lien Term Loan	LIBOR (Q)	—	9.00%	9.88%	4/29/2021	$ 8,614,356	8,459,058	8,549,749	0.62 %
dia Health,	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 %
unications										
chnologies,	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 %
uticals										
Medical	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 %

uring										
ernational,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	14,246,000	4,503,640	0.33 %
Television ing										
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 7,312,000	7,312,000	4,435,972	0.32 %
Holdco,	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 %
e Leasing										
ners of	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 %
ts										
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
								23,499,919	17,270,348	1.26 %
nc.	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 %
untain	Second Lien Term Loan	LIBOR (M)	—	9.50%	10.44%	6/15/2018	$ 14,740,910	14,618,096	14,749,754	1.08 %

oree n	First Lien Term Loan	LIBOR (Q)	—	10.25%	11.18%	9/24/2020	$ 12,857,349	12,618,039	13,050,209	0.95 %
ble s, 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 %
unications										
ations C (United	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	9,393,000	5,665,153	0.41 %
Research opment										
ldings, 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 %
Publishing										
ernational itzerland)	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 %
USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	10.75%	1/31/2020	$ 30,222,833	29,851,330	28,893,029	2.11 %
LLC	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	9.63%	3/31/2019	$ 35,627,947	35,263,561	35,538,877	2.60 %

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal or Shares	Cost	Fair Value	% Tot Cash Investr
ents										
US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.35%	12/31/2017	$ 5,837,798	5,754,455	5,823,203	0.4
c.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	
imate C	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,846,243	2,846,243	2,846,246	0.2
imate C	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,040,391	12,539,980	12,101,483	0.8
itionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.00%	11/4/2019	$ 42,565,572	41,986,034	42,991,228	3.1
itionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 3,182,143	3,182,143	3,213,964	0.2
lutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,361	11,196,782	11,334,905	0.8
lutions	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,362	11,196,782	11,334,905	0.8
	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	1.3
	Convertible Promissory Note	Fixed	—	10.00%	10.00%	12/16/2017	$ 2,282,609	2,282,609	5,504,054	0.4
	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	0.2

								205,348,625	209,864,270	15.3
shings										
et Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 22,804,525	22,804,525	22,827,329	1.6
et Mills,	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	0.5
								30,486,450	30,657,633	2.2
n										
oldings han	Bank Guarantee Credit Facility	Fixed	—	8.20% Cash +3.50% PIK	11.70%	7/2/2017	$ 21,276,420	21,276,420	21,276,653	1.5
oldings han	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 4,000,000	4,000,000	4,000,000	0.2
								25,276,420	25,276,653	1.8
	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	9/1/2021	$ 21,023,109	20,424,799	21,601,245	1.5
cations										
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.53%	5/31/2018	$ 332,044	328,743	326,682	0.0
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.66%	5/31/2018	$ 1,355,968	1,346,859	1,328,296	0.1
ons,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.42%	5/31/2018	$ 7,255,721	7,183,589	7,139,992	0.5
m	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.50%	9.75%	2/22/2020	$ 13,231,193	13,084,285	13,313,989	0.9
fic Corp.	First Lien Notes	LIBOR (Q)	1.00 %	8.50%	9.50%	2/24/2021	$ 10,000,000	9,715,362	10,000,000	0.7
								31,658,838	32,108,959	2.3
cations										
		Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	10,900,000	0.8

	Sr Secured Notes						
				1,254,861,949		1,248,887,808	91.2
ties							
nd ons							
	Warrants to Purchase Stock	562,496	$	230,569	$	87,356	0.0
tation							
d to s, Inc.							
A-767, A)	Trust Beneficial Interests	683		3,250,956		3,191,938	0.2
A-767, A)	Trust Beneficial Interests	688		3,376,251		3,266,101	0.2
. (One	Warrants to Purchase Common Stock	1,843		855,313		1,909,600	0.1
				7,482,520		8,367,639	0.6
port							
LLC	Membership Units	708,229		230,938		143,133	0.0

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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)											
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	1,112,351	0.08 %	C/E/M
								556,370	1,255,484	0.09 %	
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	274,213	875	—	C/E/M
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	611,920	0.05 %	C/E/M
								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/M
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/M
Waterfall International, Inc.	Warrants to Purchase Stock						920,000	89,847	175,168	0.01 %	C/E/M

			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/M
Rightside Group, Ltd.	Warrants	498,855	2,778,622	366,489	0.03 %	C/E/M
			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/M
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	54,525	—	E/M
			—	1,782,147	0.13 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	5,222	—	C/E/M
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50 %	C/E/F/M
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01 %	C/E/F/M
			6,922,295	6,977,942	0.51 %	
Financial Investment Activities						
GACP I, LP	Membership Units	16,615,951	16,735,088	16,866,903	1.23 %	C/E/I/M
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I/M
			16,907,782	16,868,590	1.23 %	

Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.02 %	B/E/M
Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	$ 1,235,194	$ 1,292,023	0.09 %	C/E/M
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,551,056	0.11 %	C/E/M
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	196,086	0.01 %	C/E/M
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	198,032	0.02 %	C/E/M
			3,166,925	3,237,197	0.23 %	
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082	95,502	0.01 %	C/E/H/M

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	No
y Securities nued)											
facturing											
Holding Corp.	Common Stock						1,333,527	—	—	—	B/C/E
erang Tube ngs,	Common Stock						24,288	243	—	—	C/E/N
Y Holding any, Inc.	Series A Preferred Stock						9,778	1,091,200	4,607,246	0.34 %	B/C/E
								1,091,443	4,607,246	0.34 %	
and Television casting											
Media, LLC	Warrants to Purchase Common Stock						233,470	300,322	—	—	C/E/N
urants											
oldco, LLC Mex)	Equity Participation						24	—	—	—	B/C/E
oldco, LLC Mex)	Membership Units						13,161,000	2,010,777	—	—	B/C/E
								2,010,777	—	—	
Holding, LLC exity)	Class A Units						507,167	480,049	—	—	C/E/N
are Publishing											
ine ediate, Inc.	Warrants to Purchase Common Stock						246,546	522,678	5,300,373	0.39 %	C/E/N
							159,515	680,226	1,123,591	0.08 %	B/C/E

ntum Ultimate ngs, LLC	Class A Common Units					
, Inc.	Warrants to Purchase Series F Preferred Stock	1,251,630	533,192	794,535	0.06 %	C/E/N
ata, Inc.	Warrants to Purchase Stock	719,998	216,336	204,983	0.01 %	C/E/N
			1,952,432	7,423,482	0.54 %	
System ruction						
Solar Holdings d (Cayman s)	Ordinary Shares	2,332,594	—	—	—	C/E/F
Solar Holdings d (Cayman s)	Series B Preferred Shares	93,023	1,395,349	1,395,350	0.10 %	C/E/F
			1,395,349	1,395,350	0.10 %	
l ommunications ers						
a Telecom, Inc.	Common Stock	1,274,522	$ 8,433,884	$ 6,533,964	0.48 %	C/E/N
a Telecom, Inc.	Warrants	346,939	19,920	—	—	C/E/N
ecom Investment (Vivacom) mbourg)	Common Shares	1,393	3,236,256	2,199,862	0.16 %	C/D/F
			11,690,060	8,733,826	0.64 %	
Equity ities			91,203,870	66,082,062	4.83 %	
Investments			$ 1,346,065,819	$ 1,314,969,870		
<u>and Cash alents</u>						
Held on Account ious Institutions				53,579,868	3.92 %	
and Cash alents				53,579,868	3.92 %	
Cash and ments				$ 1,368,549,738	100.00 %	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.

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

(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.
(M) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.
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.

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TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Investment income				
Interest income:				
Companies less than 5% owned	$ 39,120,645	$ 35,115,862	$ 117,016,921	$ 99,016,633
Companies 5% to 25% owned	1,856,712	1,848,171	5,365,553	4,982,075
Companies more than 25% owned	1,363,740	1,313,034	4,720,816	1,915,981
Dividend income:				
Companies less than 5% owned	—	—	16,627	—
Lease income:				
Companies more than 25% owned	74,457	71,013	223,370	1,496,869
Other income:				
Companies less than 5% owned	841,895	120,910	1,424,831	1,241,885
Companies 5% to 25% owned	31,486	—	94,458	—
Total investment income	43,288,935	38,468,990	128,862,576	108,653,443
Operating expenses				
Interest and other debt expenses	8,213,045	6,198,850	23,863,700	17,577,859
Management and advisory fees	5,611,249	4,816,043	15,624,277	13,976,545
Administrative expenses	597,232	429,867	1,730,638	1,267,815
Legal fees, professional fees and due diligence expenses	288,180	550,563	1,127,387	1,784,174
Director fees	114,098	97,877	422,108	295,486
Insurance expense	111,585	78,794	327,725	280,575
Custody fees	85,035	75,995	244,427	231,846
Other operating expenses	700,780	555,944	2,036,376	1,569,986
Total operating expenses	15,721,204	12,803,933	45,376,638	36,984,286
Net investment income	27,567,731	25,665,057	83,485,938	71,669,157
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	(4,663,896)	(763,617)	(11,540,457)	(4,490,140)
Investments in companies 5% to 25% owned	—	102,392	—	417,446
Investments in companies more than 25% owned	—	—	—	79,742
Net realized loss	(4,663,896)	(661,225)	(11,540,457)	(3,992,952)

Change in net unrealized appreciation/depreciation	(2,772,338)	869,981	(967,257)	53,816
Net realized and unrealized gain (loss)	(7,436,234)	208,756	(12,507,714)	(3,939,136)
Net increase in net assets from operations	20,131,497	25,873,813	70,978,224	67,730,021
Distributions of incentive allocation to the General Partner from:				
Net investment income	(5,513,546)	(5,133,010)	(16,697,188)	(14,333,831)
Net increase in net assets applicable to common shareholders resulting from operations	$ 14,617,951	$ 20,740,803	$ 54,281,036	$ 53,396,190
Basic and diluted earnings per common share	$ 0.25	$ 0.39	$ 0.96	$ 1.06
Basic and diluted weighted average common shares outstanding	58,792,204	52,736,835	56,390,954	50,245,035

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Changes in Net Assets (Unaudited)

	Common Stock						
	Shares	Par Amount	Paid in Capital in Excess of Par	Accumulated Net Investment Income	Accumulated Net Realized Losses	Accumulated Net Unrealized Depreciation	Total Net Assets
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 gain (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 in public offering, net	5,750,000	5,750	93,591,750	—	—	—	93,597,500
Issuance of common stock from dividend reinvestment plan	464	—	7,854	—	—	—	7,854
Net investment income	—	—	—	83,485,938	—	—	83,485,938
Net realized and unrealized gain (loss)	—	—	—	—	(11,540,457)	(967,257)	(12,507,714)
General Partner incentive allocation	—	—	—	(16,697,188)	—	—	(16,697,188)
Regular dividends paid to common shareholders	—	—	—	(61,425,414)	—	—	(61,425,414)
Balance at September 30, 2017	58,792,364	$ 58,792	$ 1,038,026,254	$ 17,896,625	$ (146,500,724)	$ (32,083,980)	$ 877,396,967

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Operating activities		
Net increase in net assets applicable to common shareholders resulting from operations	$ 54,281,036	$ 53,396,190
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	11,540,457	3,992,952
Change in net unrealized appreciation/depreciation of investments	973,415	121,178
Net amortization of investment discounts and premiums	(10,569,705)	(9,263,325)
Amortization of original issue discount on convertible debt	763,012	361,750
Interest and dividend income paid in kind	(10,130,140)	(5,209,391)
Amortization of deferred debt issuance costs	2,646,451	1,947,472
Accrued interest on convertible debt at conversion	—	218,738
Changes in assets and liabilities:		
Purchases of investment securities	(642,264,119)	(374,607,255)
Proceeds from sales, maturities and pay downs of investments	434,061,754	294,224,143
Increase in accrued interest income - companies less than 5% owned	(1,809,544)	(2,224,606)
Increase in accrued interest income - companies 5% to 25% owned	(1,284,273)	(295,458)
Decrease in accrued interest income - companies more than 25% owned	13,845	13,311
Increase in receivable for investments sold	(13,414,257)	(6,306,581)
Decrease (increase) in prepaid expenses and other assets	(2,978,344)	909,421
Increase in payable for investments purchased	73,196,164	2,725,929
Increase (decrease) in incentive allocation payable	796,712	(74,596)
Increase (decrease) in interest payable	(487,058)	1,608,964
Increase in payable to the Advisor	768,459	369,532
Decrease in accrued expenses and other liabilities	(408,038)	(540,927)
Net cash used in operating activities	(104,304,173)	(38,632,559)
Financing activities		
Borrowings	321,000,000	503,700,000
Repayments of debt	(352,500,000)	(503,500,000)
Payments of debt issuance costs	(2,652,000)	(4,529,350)
Regular dividends paid to common shareholders	(61,425,414)	(54,880,168)
Repurchase of common shares	—	(1,879,548)
Proceeds from issuances of convertible debt	—	170,000,000

Proceeds from issuance of debt	124,626,250	—
Proceeds from shares issued in connection with dividend reinvestment plan	7,854	7,147
Proceeds from common shares sold, net of underwriting and offering costs	93,597,500	34,958,570
Net cash provided by financing activities	122,654,190	143,876,651
Net increase in cash and cash equivalents	18,350,017	105,244,092
Cash and cash equivalents at beginning of period	53,579,868	35,629,435
Cash and cash equivalents at end of period	$ 71,929,885	$ 140,873,527
Supplemental cash flow information		
Interest payments	$ 19,746,066	$ 12,768,481
Excise tax payments	$ 528,603	$ 877,879
Non-cash transactions		
Conversion of convertible debt	$ —	$ 30,218,738

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)

September 30, 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 seven persons, five 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.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 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 actually 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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

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.

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 September 30, 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	$ —	$ —	$ 87,613
2	Other direct and indirect observable market inputs *	140,288,886	11,443,750	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,239,716,175	71,846,156	63,217,780
3	Advisor valuations with significant unobservable inputs	—	—	2,150,127
		$ 1,380,005,061	$ 83,289,906	$ 65,455,520

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of September 30, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 1,116,767,255	Income approach	Discount rate	5.8% - 27.5% (11.9%)
	66,626,635	Market quotations		1 (1)

			Indicative bid/ask quotes	
	22,867,951	Market comparable companies	Revenue multiples	0.4x - 2.9x (1.1x)
	33,454,334	Market comparable companies	EBITDA multiples	3.4x - 9.5x (6.9x)
Other Corporate Debt	56,724,406	Market quotations	Indicative bid/ask quotes	1 - 11 (7)
	5,853,750	Market comparable companies	Revenue multiples	2.0x (2.0x)
	9,268,000	Market comparable companies	EBITDA multiples	8.0x (8.0x)
Equity	7,557,538	Income approach	Discount rate	4.0% - 19.5% (7.1%)
	30,631,924	Market quotations	Indicative bid/ask quotes	1 (1)
	3,516,942	Market comparable companies	Revenue multiples	0.3x - 4.4x (2.1x)
	23,661,503	Market comparable companies	EBITDA multiples	3.4x - 18.0x (9.0x)
	$ 1,376,930,238			

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 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 September 30, 2017 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
Net realized and unrealized gains (losses)	(1,698,366)	(2,413,331)	(539,557)
Acquisitions *	219,258,618	10,349,086	11,837,810
Dispositions	(109,506,611)	(31,735,226)	(13,440,362)
Ending balance	$ 1,239,716,175	$ 71,846,156	$ 63,217,780
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ (1,940,418)	$ (2,413,332)	$ (2,625,120)

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ —	$ —	$ 2,221,444
Net realized and unrealized gains (losses)	—	—	(69,630)
Dispositions	—	—	(1,687)
Ending balance	$ —	$ —	$ 2,150,127
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)	$ —	$ —	$ (69,630)

There were no transfers between Level 1 and 2 during the three months ended September 30, 2017.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the nine months ended September 30, 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)	(17,582,409)	(3,758,757)	34,522
Acquisitions *	559,544,251	25,582,996	28,384,223
Dispositions	(307,732,609)	(51,912,936)	(27,845,217)
Transfers out of Level 3 †	(30,557,515)	—	—
Reclassifications within Level 3 ‡	—	—	(1,877,649)
Ending balance	$ 1,239,716,175	$ 71,846,156	$ 63,217,780
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)	$ (9,121,109)	$ (3,393,578)	$ 819,830

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of two investments that were transferred to Level 2 due to increased observable market activity
‡ Comprised of three investments that were 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)	65,797	—	(1,285,996)
Acquisitions *	(20,962)	—	—
Dispositions	(152,034)	—	(1,687)
Reclassifications within Level 3 †	—	—	1,877,649
Ending balance	$ —	$ —	$ 2,150,127
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ —	$ —	$ (1,285,996)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of three investments that were reclassified from Independent Third-Party Valuation

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 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)
	27,872,723	Market comparable companies	EBITDA multiples	7.3x – 11.0x (8.4x)
Other Corporate Debt	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)
	$ 1,204,168,571			

Changes in investments categorized as Level 3 during the three months ended September 30, 2016 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net realized and unrealized gains (losses)	185,985	1,148,520	(1,782,745)
Acquisitions *	143,164,985	7,310,415	5,540,103
Dispositions	(102,376,236)	—	(3,007,459)
Transfers out of Level 3 †	—	(46,265,760)	—
Transfers into Level 3 ‡	6,502,839	—	—

Reclassifications within Level 3 §	—	—	(320,682)
Ending balance	$ 1,033,851,938	$ 70,440,958	$ 53,494,113
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)	$ 2,587,265	$ 1,148,520	$ (1,782,745)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of two investments that transferred to Level 2 due to increased observable market activity
‡ Comprised of one investment that transferred from Level 2 due to reduced trading volumes
§ Comprised of one investment that reclassified to Advisor Valuation

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 146,365	$ —	$ 1,855,336
Net realized and unrealized gains (losses)	3,093	—	(319,764)
Dispositions	—	—	(102,763)
Reclassifications within Level 3 *	—	—	320,682
Ending balance	$ 149,458	$ —	$ 1,753,491
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)	$ 3,093	$ —	$ (420,896)

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

There were no transfers between Level 1 and 2 during the three months ended September 30, 2016.

Changes in investments categorized as Level 3 during the nine months ended September 30, 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)	4,677,005	(1,665,010)	(5,662,544)
Acquisitions *	324,878,794	23,280,718	19,764,729
Dispositions	(249,281,514)	—	(10,238,452)
Transfers out of Level 3 †	(5,492,400)	(46,265,760)	—
Transfers into Level 3 ‡	51,102,716	5,776,480	—
Reclassifications within Level 3 §	—	—	(325,743)
Ending balance	$ 1,033,851,938	$ 70,440,958	$ 53,494,113
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)	$ 7,944,054	$ (1,665,010)	$ (5,637,217)

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

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

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

§ Comprised of two investments that reclassified to Advisor Valuation

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,124,504	$ —	$ 2,428,217
Net realized and unrealized gains (losses)	(923,349)	—	(582,896)
Acquisitions *	1,050,297	—	243
Dispositions	(1,101,994)	—	(417,816)
Reclassifications within Level 3 †	—	—	325,743
Ending balance	$ 149,458	$ —	$ 1,753,491
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)	$ (881,282)	$ —	$ (999,280)

* 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 nine months ended September 30, 2016.

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 0.7% and 0.2% of total investments at September 30, 2017 and December 31, 2016, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at September 30, 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,

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

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 subject to a master netting agreement and 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. The Company was required under the terms of its swap agreement to pledge assets as collateral to secure its obligation. As of September 30, 2017, $0.8 million of cash was held as collateral and was included in cash and cash equivalents in the Consolidated Statements of Assets and Liabilities.

During the nine months ended September 30, 2017, the Company entered into a cross currency basis swap with a notional amount of $7.2 million. The cross currency basis swap is reported in the Consolidated Statements of Assets and Liabilities as unrealized depreciation on swaps. Gains and losses from derivatives during the nine months ended September 30, 2017 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Cross currency basis swap	$ —	$ (470,202)

During the nine months ended September 30, 2016, the Company entered into a GBP put option with a notional amount of £2.7 million. During the nine months ended September 30, 2016, the Company's interest rate cap with a notional amount of $25.0 million expired and the Company exited a cross currency swap with a notional amount of $16.4 million. Gains and losses from derivatives during the nine months ended September 30, 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	$ —	$ 460,972
Cross currency basis swap	2,746,072	(3,229,442)
Interest rate cap	(51,750)	51,750

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.

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September 30, 2017

2. Summary of Significant Accounting Policies (continued)

Deferred Debt Issuance Costs

Costs of approximately $1.1 million and $1.2 million were incurred during 2017 in connection with extending the TCPC Funding Facility and placing the Company's 2022 Notes, respectively (see Note 4). Costs of approximately $4.1 million were incurred in September 2016 in connection with placing the Company s 2022 Convertible Notes (see Note 4). Costs of approximately $0.4 million and $1.2 million were incurred during 2017 and 2016, 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 Code pertaining to RICs and to make distributions of taxable income sufficient to relieve it from substantially all U.S. 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. The tax returns of the Company, the Operating Company, TCPC Funding and the SBIC generally remain open for examination by tax authorities for a period of three years from the date they are filed. 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 September 30, 2017 and December 31, 2016 were as follows:

	September 30, 2017	December 31, 2016
Unrealized appreciation	$ 41,846,827	$ 33,945,996
Unrealized depreciation	(73,916,191)	(65,041,945)
Net unrealized depreciation	$ (32,069,364)	$ (31,095,949)
Cost	$ 1,560,349,649	$ 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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

2. Summary of Significant Accounting Policies (continued)

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 September 30, 2017 and December 31, 2016, $8.4 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.

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.

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, the Final Rules) intended to modernize the reporting and disclosure of information by registered investment companies and business development companies. In part, the Final Rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X was August 1, 2017,

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

and the Company has implemented the applicable requirements into this report, namely the standardized reporting of derivatives in the consolidated schedule of investments, disclosure of investments that had valuations which included certain unobservable inputs that were significant to the valuation as a whole and disclosure of realized gains/(losses) on controlled affiliated investments.

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 September 30, 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), unsecured notes due August 2022 issued by the Company (the 2022 Notes), amounts outstanding under a term loan issued by the Operating Company (the Term Loan) prior to its full repayment on August 9, 2017, amounts outstanding under a senior secured revolving credit facility issued by the Operating Company (the SVCP Revolver and, together with the Term Loan prior to its full repayment on August 9, 2017, 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)

September 30, 2017

4. Leverage (continued)

Total leverage outstanding and available at September 30, 2017 was as follows:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
SVCP Revolver	2018	L+2.50%†	$ 30,000,000	$ 86,000,000	$ 116,000,000
2019 Convertible Notes ($108 million par)	2019	5.25%	106,893,357	—	106,893,357
2022 Convertible Notes ($140 million par)	2022	4.625%	137,266,488	—	137,266,488
2022 Notes ($125 million par)	2022	4.125%	124,635,706	—	124,635,706
TCPC Funding Facility	2021	L+2.50%‡	200,000,000	150,000,000	350,000,000
SBA Debentures	2024–2027	2.57%§	75,000,000	75,000,000	150,000,000
Total leverage			673,795,551	$ 311,000,000	$ 984,795,551
Unamortized issuance costs			(8,417,444)		
Debt, net of unamortized issuance costs			$ 665,378,107		

* Except for the convertible notes and 2022 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:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
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 September 30, 2017 and December 31, 2016 were 4.12% and 3.95%, respectively.

Total expenses related to debt include:

	Nine Months Ended September 30,	
	2017	2016
Interest expense	$ 20,022,020	$ 14,739,195
Amortization of deferred debt issuance costs	2,646,451	1,947,472
Commitment fees	1,195,229	891,192
Total	$ 23,863,700	$ 17,577,859

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

4. Leverage (continued)

Outstanding leverage is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of September 30, 2017, the estimated fair values of the SVCP Revolver, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes, the 2022 Convertible Notes and the 2022 Notes had estimated fair values of $113.6 million, $145.6 million and $124.5 million, respectively. The estimated fair values of the SVCP Revolver, 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 and 2022 Notes were determined using market quotations. At September 30, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility, the convertible notes, the 2022 Notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Unsecured 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 September 30, 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 Revolver 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 the $16.68 per share closing price of the Company s common

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Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

4. Leverage (continued)

stock on August 30, 2016. At September 30, 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 September 30, 2017 and December 31, 2016, the components of the carrying value of the 2019 Convertible Notes and 2022 Convertible Notes were as follows:

	September 30, 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	(1,106,643)	(2,733,512)	(1,452,071)	(3,141,641)
Carrying value of debt	$ 106,893,357	$ 137,266,488	$ 106,547,929	$ 136,858,359

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Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

4. Leverage (continued)

For the nine months ended September 30, 2017 and 2016, the components of interest expense for the convertible notes were as follows:

	Nine Months Ended September 30,			
	2017		2016	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Stated interest expense	$ 4,252,500	$ 4,874,236	$ 4,252,500	$ 431,667
Amortization of original issue discount	345,427	408,129	326,391	$ 35,359
Total interest expense	$ 4,597,927	$ 5,282,365	$ 4,578,891	$ 467,026

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 nine months ended September 30, 2017 and September 30, 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 nine months ended September 30, 2017 and September 30, 2016.

Unsecured Notes

On August 4, 2017, the Company issued $125.0 million of unsecured notes that mature on August 11, 2022 (the 2022 Notes). The 2022 Notes bear interest at an annual rate of 4.125%, payable semi-annually, and all principal is due upon maturity. The 2022 Notes are general unsecured obligations of the Company and rank structurally junior to the SVCP Revolver and the TCPC Funding Facility. The 2022 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a make whole premium, as determined pursuant to the indenture governing the 2022 Notes, and any accrued and unpaid interest. The 2022 Notes were issued at a discount to the principal amount.

As of September 30, 2017, the components of the carrying value of the 2022 Notes were as follows:

	September 30, 2017
Principal amount of debt	$ 125,000,000
Original issue discount, net of accretion	(364,294)
Carrying value of debt	$ 124,635,706

For the nine months ended September 30, 2017, the components of interest expense for the 2022 Notes were as follows:

	Nine Months

	Ended September 30, 2017
Stated interest expense	$ 716,146
Amortization of original issue discount	9,456
Total interest expense	$ 725,602

SVCP Facility

The SVCP Facility consists of 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 Revolver) and, prior to its full repayment on August 9, 2017, a $100.5 million senior secured term loan. The SVCP Revolver matures

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

4. Leverage (continued)

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 Revolver 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 SVCP Revolver 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 September 30, 2017, the Operating Company was in full compliance with such covenants.

SBA Debentures

As of September 30, 2017, the SBIC is able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of September 30, 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.

SBA Debentures outstanding as of September 30, 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 %
September 20, 2017	September 1, 2027	14,000,000	2.52 %	0.36 %
		$ 75,000,000	2.57 %*	

*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 %
		$ 61,000,000	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 April 26,

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

4. Leverage (continued)

2021, 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 September 30, 2017, TCPC Funding was in full compliance with such covenants.

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 September 30, 2017 and December 31, 2016 as follows:

		Unfunded Balances	
Issuer	**Maturity**	**September 30, 2017**	**December 31, 2016**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 708,333	$ 833,333
Alera Group Intermediate Holdings, Inc.	12/30/2022	759,546	759,547
Alpheus Communications, LLC	5/31/2018	357,419	357,419
AP Gaming I, LLC	12/20/2018	N/A	12,500,000
Applause App Quality, Inc.	9/20/2022	1,509,820	N/A
Asset International, Inc.	7/1/2021	1,325,721	1,325,721

Auto Trakk SPV, LLC	12/21/2021	3,827,058	3,827,058
Bisnow, LLC	4/29/2021	1,200,000	1,200,000
Caliber Home Loans, Inc.	6/30/2020	4,444,444	6,666,667
Edmentum, Inc.	6/9/2020	3,368,586	3,368,586
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	4,000,000
Foursquare Labs, Inc.	6/1/2020	3,750,000	N/A
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.	12/31/2019	8,299,181	7,500,000
Marketo, Inc.	8/16/2021	1,704,545	1,704,545

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

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

		Unfunded Balances	
Issuer	**Maturity**	**September 30, 2017**	**December 31, 2016**
Mesa Airlines, Inc.	2/28/2022	N/A	9,268,182
Mesa Airlines, Inc.	12/31/2022	N/A	9,731,591
Patient Point Network Solutions, LLC	6/26/2022	440,474	N/A
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	581,841	671,356
Pulse Secure, LLC	5/1/2022	1,342,516	N/A
RM OpCo, LLC (Real Mex)	3/30/2018	188,903	N/A
Tradeshift Holdings, Inc.	9/1/2020	9,941,115	N/A
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Videology Tech Technologies, LLC	1/10/2020	9,202,379	N/A
Xactly Corporation	7/31/2022	1,405,501	N/A
Total Unfunded Balances		$ 75,213,546	$ 66,674,093

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 September 30, 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 September 30, 2017 and December 31, 2016, amounts reimbursable to the Advisor totaled $1.1 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 nine months ended September 30, 2017 and 2016, expenses allocated pursuant to the Administration Agreements totaled $1.7 million and $1.3 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 nine months ended September 30, 2017:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	464	$ 16.93 *	$ 7,854
April 25, 2017 public offering	5,750,000	16.84	93,597,500

* Weighted-average price per share

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

7. Stockholders’ Equity and Dividends (continued)

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:

	Shares Issued	Price Per Share	Net Proceeds
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 nine months ended September 30, 2017:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 22, 2017	March 17, 2017	March 31, 2017	Regular	$ 0.36	$ 19,095,084
May 9, 2017	June 16, 2017	June 30, 2017	Regular	0.36	21,165,137
August 3, 2017	September 15, 2017	September 29, 2017	Regular	0.36	21,165,193
				$ 1.08	$ 61,425,414

The following table summarizes the Company s dividends declared and paid for the nine months ended September 30, 2016:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 24, 2016	March 17, 2016	March 31, 2016	Regular	$ 0.36	$ 17,530,963
May 10, 2016	June 16, 2016	June 30, 2016	Regular	0.36	18,254,229
August 9, 2016	September 16, 2016	September 30, 2016	Regular	0.36	19,094,976
				$ 1.08	$ 54,880,168

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 November 2, 2017, to be in effect through the earlier of two trading days after the Company s fourth 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.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

7. Stockholders' Equity and Dividends (continued)

There were no share repurchases for the nine months ended September 30, 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:

	Shares Repurchased	Price Per Share	Total Cost
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 and nine months ended September 30, 2017 and 2016:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net increase in net assets applicable to common shareholders resulting from operations	$ 14,617,951	$ 20,740,803	$ 54,281,036	$ 53,396,190
Weighted average shares outstanding	58,792,204	52,736,835	56,390,954	50,245,035
Earnings per share	$ 0.25	$ 0.39	$ 0.96	$ 1.06

9. Subsequent Events

On November 2, 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 fourth quarter 2017 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2017, the Company issued $50 in aggregate principal amount of 4.125% notes due 2022 for proceeds of approximately $49.1 million, net of underwriter discounts and approximately $0.3 million of expenses related to the offering. The notes are a further issuance to the 2022 Notes that the Company issued on August 11, 2017, and are treated as a single series with the existing 2022 Notes under the indenture.

On November 7, 2017, the Company s board of directors declared a fourth quarter regular dividend of $0.36 per share payable on December 29, 2017 to stockholders of record as of the close of business on December 15, 2017.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2017

10. Financial Highlights

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Per Common Share		
Per share NAV at beginning of period	$ 14.91	$ 14.78
Investment operations:		
Net investment income	1.48	1.43
Net realized and unrealized losses	(0.22)	(0.08)
Incentive allocation reserve and distributions	(0.30)	(0.29)
Total from investment operations	0.96	1.06
Issuance of common stock	0.13	0.02
Issuance of convertible debt	—	0.06
Distributions to common shareholders from:		
Net investment income	(1.08)	(1.08)
Per share NAV at end of period	$ 14.92	$ 14.84
Per share market price at end of period	$ 16.49	$ 16.38
Total return based on market value (1), (2)	4.0 %	25.3 %
Total return based on net asset value (1), (3)	7.3 %	7.7 %
Shares outstanding at end of period	58,792,364	53,041,751
Ratios to average common equity: (4)		
Net investment income (5)	11.1 %	10.2 %
Expenses	7.1 %	6.6 %
Expenses and incentive allocation (6)	9.1 %	8.5 %
Ending common shareholder equity	$ 877,396,967	$ 787,107,542
Portfolio turnover rate	31.1 %	23.8 %
Weighted-average leverage outstanding	$ 599,740,024	$ 528,593,078
Weighted-average interest rate on leverage	4.5 %	3.7 %
Weighted-average number of common shares	56,390,954	50,245,035
Average leverage per share	$ 10.64	$ 10.52

(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)

Nine Months Ended September 30, 2017

Security	Dividends or Interest [2]	Fair Value at December 31, 2016	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions [3]	Dispositions [4]	Fair Value at September 30, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 6,818,897	$ —	$ 2,362,761	$ 1,876,574	$ (1,612,852)	$ 9,445,380
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	2,814,491	29,203,304	—	—	10,323,288	(17,829,721)	21,696,871
AGY Holding Corp., Common Stock	—	—	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	764,610	9,268,000	—	—	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	95,472	1,049,147	—	(1)	—	—	1,049,146
AGY Holding Corp., Senior Secured Term Loan, 12%,	443,133	4,869,710	—	(133)	—	—	4,869,577

due 9/15/16							
Anacomp, Inc., Class A Common Stock	—	1,205,306	—	50,221	—	—	1,255,527
Conergy Asia Holdings Limited, Class B Shares	0	0	—	7,900	1,000,000		1,007,900
Conergy Asia Holdings Limited, Ordinary Shares	0	0	—	—	7,833,333	(6,005,729)	1,827,604
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,123,796	12,101,483	—	(2,034,497)	1,106,331	—	11,173,317
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	190,177	2,846,246	—	—	187,429	—	3,033,675
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	78,261	—	—	—	3,368,589	(3,368,589)	—
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	1,123,591	—	(1,121,996)	—	—	1,595
EPMC HoldCo, LLC, Membership Units	—	210,035	—	—	—	—	210,035
Essex Ocean II, LLC, Membership Units	—	159,045	—	(159,045)	—	—	—
Globecomm Systems Inc.,	973,215	14,480,002	—	(1,033,747)	373	(37,320)	13,409,308

Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18							
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	91,711	—	—	—	1,900,733	—	1,900,733
Iracore Investments Holdings, Inc., Class A Common Stock	—	—	—	(1,143,868)	4,177,710	—	3,033,842
KAGY Holding Company, Inc., Series A Preferred Stock	—	4,607,246	—	6,414,295		—	11,021,541
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	1,614,803	21,276,653	—	(771,618)	267,919	(4,072,441)	16,700,513
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	291,522	4,000,000	—	—	2,072,441	—	6,072,441
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
	—	1,395,350	—	(1,395,340)	233	—	243

Kawa Solar Holdings Limited, Series B Preferred Shares							
RM Holdco, LLC, Equity Participation	—	—	—	—	—	—	—
RM Holdco, LLC, Membership Units	94,458	—	—	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	259,194	4,871,284	—	—	20,813	—	4,892,097
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	644,597	3,154,770	—	(3,799,525)	644,755	—	—
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	203,774	3,049,555	—	(576,038)	203,055	—	2,676,572

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Security	Dividends or Interest (2)	Fair Value at December 31, 2016	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value at September 30, 2017
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	129,857	1,943,371	—	(367,088)	129,400	—	1,705,683
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	367,755	4,251,368	—	—	2,238,735	—	6,490,103
United N659UA-767, LLC (N659UA)	119,856	3,191,938	—	62,801		(271,381)	2,983,358
United N661UA-767, LLC (N661UA)	103,515	3,266,101	—	78,880		(287,722)	3,057,259
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	—	1,530,000	—	(1,529,500)	—	—	500

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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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	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2016
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 225,000	$ —	$ —	$ 6,593,897	$ —	$ 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	594,088	4,869,577	—	—	133	—	4,869,710

Loan, 12%, due 9/15/16							
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	—	(605,002)	1,362,995	—	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	417,445	(472,579)	0	(417,445)	210,035
Essex Ocean II, LLC, Membership Units	—	200,686	—	54,390	0	(96,031)	159,045
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor,	1,316,646	14,256,233	—	371,555	1,493	(149,279)	14,480,002

due 12/11/18							
KAGY Holding Company, Inc., Series A Preferred Stock	—	6,118,515	—	(1,511,269)	0	—	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	—	—	(3,723,347)	—	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	—	(5,665)	—	(313,315)	—
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	11,822	570,303	—	(12,619)	—	(557,684)	—
	2,322	115,617	—	(1,421)	—	(114,196)	—

N913DL Aircraft Secured Mortgage, 8%, due 3/15/17							
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	5,109	237,494	—	(4,275)	—	(233,219)	—
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	7,829	342,734	—	(6,180)	—	(336,554)	—
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,463	369,162	—	(6,930)	—	(362,232)	—
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	8,365	365,197	—	(6,817)	—	(358,380)	—
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,537	372,392	—	(6,991)	—	(365,401)	—
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	8,708	379,522	—	(7,161)	—	(372,361)	—
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	9,289	403,869	—	(7,700)	—	(396,169)	—

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Security	Dividends or Interest(2)	Fair Value at December 31, 2015	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2016
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	9,028	393,115	—	(7,448)	—	(385,667)	—
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	4,636	218,321	—	(3,635)	—	(214,686)	—
N913DL Equipment Trust Beneficial Interests	491,371	107,501	211,982	(23,336)	—	(296,147)	—
N918DL Equipment Trust Beneficial Interests	8,483	127,662	89,515	(41,618)	—	(175,559)	—
N954DL Equipment Trust Beneficial Interests	8,743	77,850	(17,833)	17,495	—	(77,512)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	(40,649)	(16,055)	—	(51,396)	—
N956DL Equipment Trust Beneficial Interests	8,362	104,478	(36,257)	(12,484)	—	(55,737)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	(43,849)	(12,913)	—	(48,567)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	(51,380)	(13,363)	—	(41,460)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	(76,964)	(11,434)	—	(17,539)	—

N961DL Equipment Trust Beneficial Interests	7,976	101,487	(65,354)	(7,469)	—	(28,664)	—
N976DL Equipment Trust Beneficial Interests	8,635	100,793	110,531	(12,825)	—	(198,499)	—
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	—	281,896	870,233	—	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	—	(2,135,114)	798,891	—	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	—	(3,685)	164,020	—	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	—	(284,572)	—	107,911	3,191,938
United N661UA-767, LLC (N661UA)	549,091	3,294,024	—	(341,679)	—	313,756	3,266,101
	—	4,198,500	—	(2,668,500)	—	—	1,530,000

Wasserstein
Cosmos
Co-Invest, L.P.,
Limited
Partnership Units

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

September 30, 2017

Investment	Acquisition Date
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC (144A), Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
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
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/17
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
GACP I, LP, Membership Units	10/1/15
GlassPoint Solar, Inc., Warrants to Purchase Series C-1 Preferred Stock	2/7/17
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Convertible Note, 10% PIK, due 6/30/19	7/12/17
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Common Stock	8/22/17
InMobi, Inc., Warrants to Purchase Series E Preferred Stock	9/18/15
Lions Holdings, Inc., (BPA), Series A Warrants to Purchase Common Stock	7/14/17
Lions Holdings, Inc., (BPA), Series B Warrants to Purchase Common Stock	7/14/17
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class B Warrants to Purchase Class A Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/17
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12

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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	9/16/15

Waterfall International, Inc., Warrants to Purchase Stock	9/16/15

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities (Unaudited)

September 30, 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	$ —	$ 1,389,967,667	$ —	$ 1,389,967,667
Companies 5% to 25% owned	—	74,735,725	—	74,735,725
Companies more than 25% owned	—	64,047,095	—	64,047,095
Investment in subsidiary	1,243,969,860	—	(1,243,969,860)	—
Total investments	1,243,969,860	1,528,750,487	(1,243,969,860)	1,528,750,487
Cash and cash equivalents	—	71,929,885	—	71,929,885
Accrued interest income	—	19,850,090	—	19,850,090
Receivable for investments sold	—	13,414,257	—	13,414,257
Deferred debt issuance costs	—	3,664,315	—	3,664,315
Prepaid expenses and other assets	512,789	3,993,300	—	4,506,089
Total assets	1,244,482,649	1,641,602,334	(1,243,969,860)	1,642,115,123
Liabilities				
Debt, net of unamortized issuance costs	363,128,121	302,249,986	—	665,378,107
Payable for investment securities purchased	—	85,545,089	—	85,545,089
Incentive allocation payable	—	5,513,546	—	5,513,546
Interest payable	2,921,146	1,605,509	—	4,526,655
Payable to the Advisor	424,942	669,307	—	1,094,249
Unrealized depreciation on swaps	—	470,202	—	470,202
Accrued expenses and other liabilities	611,473	1,578,835	—	2,190,308
Total liabilities	367,085,682	397,632,474	—	764,718,156
Net assets	**$ 877,396,967**	**$ 1,243,969,860**	**$ (1,243,969,860)**	**$ 877,396,967**
Composition of net assets				
Common stock	$ 58,792	$ —	$ —	$ 58,792
Additional paid-in capital	1,038,026,254	1,273,621,817	(1,273,621,817)	1,038,026,254

Accumulated deficit	(160,688,079)	(29,651,957)	29,651,957	(160,688,079)
Net assets	$ 877,396,967	$ 1,243,969,860	$ (1,243,969,860)	$ 877,396,967

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2016

	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	$ —	$ 1,175,097,468	$ —	$ 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	1,031,709,637	1,314,969,870	(1,031,709,637)	1,314,969,870
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	1,032,081,103	1,387,226,995	(1,031,709,637)	1,387,598,461
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	241,145,112	355,517,358	—	596,662,470
Net assets	**$ 790,935,991**	**$ 1,031,709,637**	**$ (1,031,709,637)**	**$ 790,935,991**
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	$ 790,935,991	$ 1,031,709,637	$ (1,031,709,637)	$ 790,935,991

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TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Nine Months Ended September 30, 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	$ —	$ 117,016,921	$ —	$ 117,016,921
Companies 5% to 25% owned	—	5,365,553	—	5,365,553
Companies more than 25% owned	—	4,720,816	—	4,720,816
Dividend income:				
Companies less than 5% owned	—	16,627	—	16,627
Lease income:				
Companies more than 25% owned	—	223,370	—	223,370
Other income:				
Companies less than 5% owned	—	1,424,831	—	1,424,831
Companies 5% to 25% owned	—	94,458	—	94,458
Total investment income	—	128,862,576	—	128,862,576
Operating expenses				
Interest and other debt expenses	11,710,817	12,152,883	—	23,863,700
Management and advisory fees	—	15,624,277	—	15,624,277
Administration expenses	—	1,730,638	—	1,730,638
Legal fees, professional fees and due diligence expenses	434,665	692,722	—	1,127,387
Director fees	140,292	281,816	—	422,108
Insurance expense	109,058	218,667	—	327,725
Custody fees	2,626	241,801	—	244,427
Other operating expenses	729,707	1,306,669	—	2,036,376
Total operating expenses	13,127,165	32,249,473	—	45,376,638
Net investment income (loss)	(13,127,165)	96,613,103	—	83,485,938
Net realized and unrealized loss on investments and foreign currency				
Net realized loss:				
Investments in companies less than 5% owned	—	(11,540,457)	—	(11,540,457)

Net realized loss	—	(11,540,457)	—	(11,540,457)
Change in net unrealized appreciation/depreciation	—	(967,257)	—	(967,257)
Net realized and unrealized loss	—	(12,507,714)	—	(12,507,714)
Net increase (decrease) in net assets from operations	(13,127,165)	84,105,389	—	70,978,224
Interest in earnings of subsidiary	67,408,201	—	(67,408,201)	—
Distributions of incentive allocation to the General Partner from net investment income	—	—	(16,697,188)	(16,697,188)
Net increase in net assets applicable to common equityholders resulting from operations	$ 54,281,036	$ 84,105,389	$ (84,105,389)	$ 54,281,036

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TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Nine Months Ended September 30, 2016

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	$ —	$ 99,016,633	$ —	$ 99,016,633
Companies 5% to 25% owned	—	4,982,075	—	4,982,075
Companies more than 25% owned	—	1,915,981	—	1,915,981
Lease income:				
Companies more than 25% owned	—	1,496,869	—	1,496,869
Other income:				
Companies less than 5% owned	—	1,241,885	—	1,241,885
Total investment income	—	108,653,443	—	108,653,443
Operating expenses				
Interest and other debt expenses	5,819,334	11,758,525	—	17,577,859
Management and advisory fees	—	13,976,545	—	13,976,545
Legal fees, professional fees and due diligence expenses	973,172	811,002	—	1,784,174
Administration expenses	—	1,267,815	—	1,267,815
Director fees	97,295	198,191	—	295,486
Insurance expense	90,345	190,230	—	280,575
Custody fees	2,625	229,221	—	231,846
Other operating expenses	708,438	861,548	—	1,569,986
Total expenses	7,691,209	29,293,077	—	36,984,286
Net investment income (loss)	(7,691,209)	79,360,366	—	71,669,157
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	—	(4,490,140)	—	(4,490,140)
Investments in companies 5% to 25% owned	—	417,446	—	417,446
Investments in companies more than 25% owned	—	79,742	—	79,742

Net realized loss	—	(3,992,952)	—	(3,992,952)
Change in net unrealized appreciation/depreciation	—	53,816	—	53,816
Net realized and unrealized loss	—	(3,939,136)	—	(3,939,136)
Net increase (decrease) in net assets from operations	(7,691,209)	75,421,230	—	67,730,021
Interest in earnings of subsidiary	61,087,399	—	(61,087,399)	—
Distributions of incentive allocation to the General Partner from net investment income	—	—	(14,333,831)	(14,333,831)
Net increase in net assets applicable to common equityholders resulting from operations	$ 53,396,190	$ 75,421,230	$ (75,421,230)	$ 53,396,190

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Statements of Assets and Liabilities

	September 30, 2017 (unaudited)	December 31, 2016
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of $1,378,833,997 and $1,174,421,611, respectively)	$ 1,389,967,667	$ 1,175,097,468
Companies 5% to 25% owned (cost of $86,080,592 and $75,508,585, respectively)	74,735,725	69,355,808
Companies more than 25% owned (cost of $95,435,060 and $96,135,623, respectively)	64,047,095	70,516,594
Total investments (cost of $1,560,349,649 and $1,346,065,819, respectively)	1,528,750,487	1,314,969,870
Cash and cash equivalents	71,929,885	53,579,868
Accrued interest income:		
Companies less than 5% owned	17,600,493	12,713,025
Companies 5% to 25% owned	2,237,834	953,561
Companies more than 25% owned	11,763	25,608
Receivable for investments sold	13,414,257	—
Deferred debt issuance costs	3,664,315	3,828,784
Prepaid expenses and other assets	3,993,300	1,156,279
Total assets	1,641,602,334	1,387,226,995
Liabilities		
Debt, net of unamortized issuance costs of $2,750,014 and $2,712,574, respectively	302,249,986	333,787,426
Payable for investments purchased	85,545,089	12,348,925
Incentive allocation payable	5,513,546	4,716,834
Interest payable	1,605,509	2,715,380
Payable to the Advisor	669,307	325,790
Unrealized depreciation on swaps	470,202	—
Accrued expenses and other liabilities	1,578,835	1,623,003
Total liabilities	397,632,474	355,517,358

Commitments and contingencies (Note 5)

Net assets applicable to common limited and general partners	**$ 1,243,969,860**	**$ 1,031,709,637**
Composition of net assets applicable to common limited and general partners		
Paid-in capital in excess of par	$ 1,397,310,567	$ 1,180,024,317
Accumulated net investment income	25,246,361	17,764,674
Accumulated net realized losses	(146,503,089)	(134,962,632)
Accumulated net unrealized depreciation	(32,083,979)	(31,116,722)
Net assets applicable to common limited and general partners	$ 1,243,969,860	$ 1,031,709,637

See accompanying notes to the consolidated financial statements.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Unaudited)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents (A)										
ing, elations rketing										
re Labs,	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81%	10.19%	6/1/2020	$ 18,750,000	$ 18,383,852	$ 18,334,875	1.15
Inc. re)	First Lien Delayed Draw Tranche 1 Term Loan (4.00% Exit Fee)	LIBOR (M)	1.37 %	8.13%	9.50%	12/31/2019	$ 24,897,542	24,372,226	24,353,215	1.52
y Media gies,	First Lien UK Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	10.00%	11.32%	1/10/2020	$ 8,170,996	8,170,996	8,170,996	0.51
y Media gies,	First Lien US Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	8.50%	9.82%	1/10/2020	$ 2,647,385	2,647,385	2,647,385	0.17
								53,574,459	53,506,471	3.35
rtation										
Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.63%	7/15/2022	$ 12,478,783	12,326,601	12,728,359	0.80
			—	7.25%	8.50%	12/14/2021	$ 15,025,436	14,800,541	15,029,944	0.94

rlines,	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)								
rlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	8.50%	2/28/2022	$ 8,723,671	8,589,297	8,680,488	0.54 %
rlines,	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	8.50%	7/31/2022	$ 3,621,731	3,566,306	3,578,814	0.22 %
rlines,	Engine Acquisition Delayed Draw Term Loan C-1	LIBOR (M)	—	7.25%	8.50%	9/30/2022	$ 5,560,909	5,463,631	5,466,652	0.34 %
								44,746,376	45,484,257	2.84 %
nent and on										
thern , LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.83%	11/3/2020	$ 24,342,738	23,968,373	24,707,879	1.54 %
thern , LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$ —	(13,214)	12,842	—
								23,955,159	24,720,721	1.54 %
cturing										
ros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75%	7.05%	6/3/2021	$ 8,957,976	8,836,152	9,047,555	0.57 %
ros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.55%	6/3/2021	$ 9,305,317	9,190,600	9,463,507	0.59 %
								18,026,752	18,511,062	1.16 %
ent tors										
atacom cal, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.74%	7/25/2021	$ 13,805,441	13,635,230	13,915,884	0.87 %

Services										
Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(3,251)	(18,600)	—
Global gies,	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	10.57%	11/30/2019	$ 23,000,000	22,776,712	22,893,050	1.43
rway ons, Inc. vantage)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.57%	6/30/2023	$ 31,000,000	30,624,810	29,267,100	1.83
								53,398,271	52,141,550	3.26
ls										
lant , LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)	—	10.63%	12.00%	2/1/2018	$ 2,824,919	2,829,948	2,824,919	0.18
ologics,	Convertible Note	Fixed	—	10.00% PIK	10.00%	6/30/2019	$ 7,500,000	7,355,902	5,853,750	0.37
ologics,	Sr Secured Term Loan (12.4 % Exit Fee)	Fixed	—	10.00% PIK	10.00%	12/31/2020	$ 8,106,004	7,940,893	6,376,993	0.40
E1 B.V. nds)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.33%	10/12/2021	$ 877,431	872,110	927,444	0.06
E1 B.V. nds)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.33%	10/12/2021	$ 3,792,122	3,768,558	4,008,273	0.25
E1 B.V. nds)	First Lien Term Loan	EURIBOR (Q)	—	8.00%	8.00%	10/12/2021	€ 6,418,239	7,011,284	8,014,710	0.50
Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81%	11.19%	4/1/2019	$ 10,000,000	9,604,298	9,828,000	0.61
								39,382,993	37,834,089	2.37
nications ent cturing										
mm Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	9.05%	12/11/2018	$ 14,442,682	14,298,255	13,409,308	0.84

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nts d) r Design ted										
.	First Lien Incremental Term Loan	LIBOR (Q)	1.00 %	6.75%	8.08%	9/1/2022	$ 7,969,241	$ 7,849,702	$ 7,849,702	0.49 %
.	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.08%	9/1/2022	$ 9,900,000	9,731,240	9,751,500	0.61 %
ate Corp.	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.32%	3/14/2024	$ 10,925,551	10,612,225	10,696,115	0.67 %
ket, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.37%	2/10/2021	$ 15,750,000	15,285,565	15,750,000	0.98 %
onco,	First Lien Bridge Term Loan	LIBOR (M)	1.00 %	6.00% Cash +2.00% PIK	9.38%	10/13/2017	$ 3,182,143	3,163,821	3,182,143	0.20 %
onco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.32%	11/4/2019	$ 43,214,417	42,779,942	39,178,191	2.45 %
onco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.32%	11/4/2019	$ 3,182,143	3,182,143	2,884,931	0.18 %
Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.83%	8/16/2021	$ 23,295,455	22,722,018	23,295,455	1.46 %
Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	N/A	8/16/2021	$ —	(39,766)	—	—
			—	8.00%	9.32%	9/3/2018	$ 2,296,200	2,296,200	2,296,200	0.14 %

rprise Ltd.	First Lien Term Loan B	LIBOR (Q)								
rprise Ltd.	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 10,240,000	10,210,950	10,240,000	0.64 %
, LLC	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 3,702,400	3,702,400	3,702,400	0.23 %
, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.32%	9/3/2018	$ 3,120,000	3,121,990	3,120,000	0.19 %
								134,618,430	131,946,637	8.24 %
ository)										
k SPV,	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50 %	9.50%	10.73%	12/21/2021	$ 32,392,942	31,954,106	32,602,257	2.04 %
ome c.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.74%	6/30/2020	$ 15,555,556	15,399,451	15,735,556	0.98 %
n Group Islands)	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,593,384	29,538,340	1.85 %
								75,946,941	77,876,153	4.87 %
elated										
nion s, LLC	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	4/21/2022	$ 25,000,000	24,765,887	25,108,750	1.57 %
usiness ce, LP rce)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.09%	12/20/2021	$ 14,659,047	14,532,703	14,644,388	0.91 %
usiness ce, LP rce)	Revolver	LIBOR (Q)	1.00 %	6.75%	8.09%	12/20/2021	$ 89,514	83,765	88,843	0.01 %
								39,382,355	39,841,981	2.49 %
cessing ing										
App nc.	First Lien Term Loan	LIBOR (M)	1.00 %	6.50%	7.74%	9/20/2022	$ 22,647,306	22,197,368	22,194,361	1.39 %
App nc.	First Revolver	LIBOR (M)	1.00 %	6.50%	N/A	9/20/2022	$ —	(30,014)	—	—

Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	9/20/2025	$ 10,578,112	10,525,221	10,694,947	0.67 %
on	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.24%	4/3/2022	$ 8,184,324	8,069,799	8,286,628	0.52 %
enters, C	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 15,000,000	15,000,000	15,000,000	0.94 %
ure,	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.30%	5/1/2022	$ 12,022,227	11,852,990	11,895,993	0.74 %
ure,	Revolver	LIBOR (Q)	1.00 %	7.00%	N/A	5/1/2022	$ —	(18,491)	(14,096)	—
LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.49%	5/5/2025	$ 9,675,000	9,608,020	9,872,564	0.62 %
								77,204,893	77,930,397	4.88 %
nal Services										
n, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	—
n LLC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 3,033,675	3,033,675	3,033,675	0.19 %
n LLC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 14,054,482	13,646,311	11,173,317	0.70 %
								16,679,986	14,206,992	0.89 %
c ent turing										
.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44 %	9.33%	10.71%	3/1/2018	$ 7,570,571	7,488,052	7,394,555	0.46 %
.	Tranche B Term Loan	LIBOR (M)	0.44 %	9.33%	10.71%	3/1/2018	$ 1,603,779	1,579,327	1,567,373	0.10 %
								9,067,379	8,961,928	0.56 %
nt										
et artners LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 21,696,871	21,696,871	21,696,871	1.36 %
ean, exel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,696,898	1,696,898	—	—
								23,393,769	21,696,871	1.36 %

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September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents ed)										
s										
ment	First Lien Term Loan B	LIBOR (Q)	1.25 %	6.75%	8.08%	3/15/2018	$ 233,324	$ 230,588	$ 230,990	0.01
Stores										
nc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	8.80%	10.30%	10/8/2019	$ 5,727,386	5,705,475	5,727,386	0.36
s										
althcare,	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.45%	2/6/2020	$ 14,792,003	14,707,122	14,939,923	0.93
Coast s ent, LLC re)	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	2/14/2021	$ 29,288,064	28,909,527	29,280,742	1.83
								43,616,649	44,220,665	2.76
ce										
oup iate s, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	5.50%	6.74%	12/30/2022	$ 124,583	116,283	126,249	0.01
oup iate s, Inc.	First Lien Revolver	LIBOR (Q)	1.00 %	5.50%	N/A	12/30/2021	$ —	(7,558)	—	—
			1.00 %	5.50%	6.74%	12/30/2022	$ 3,390,085	3,360,563	3,396,866	0.21

oup iate s, Inc.	First Lien Term Loan	LIBOR (Q)									
ion											
, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.99%	6/8/2023	$ 8,277,983	8,130,115	8,257,288	0.52	
e LLC ogy)	First Lien FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.91%	8/29/2019	$ 20,060,606	19,698,428	20,060,606	1.25	
e LLC ogy)	First Lien Incremental Tranche B FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.97%	8/29/2019	$ 4,320,000	4,245,257	4,320,000	0.27	
								35,543,088	36,161,009	2.26	
of ncial											
iate 2, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.75%	8.99%	9/29/2025	$ 15,000,000	14,887,500	15,150,000	0.95	
Cole ons, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.65%	10.90%	3/21/2022	$ 33,544,709	33,232,910	33,199,199	2.07	
								48,120,410	48,349,199	3.02	
ment, c, and al ng											
l, LLC	First Lien Last Out Term Loan	LIBOR (M)	1.00 %	10.77%Cash +0.50%PIK	12.60%	6/16/2022	$ 24,259,932	23,339,619	23,495,744	1.47	
ata & s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	10.06%	10/31/2019	$ 23,297,434	23,037,915	23,297,434	1.45	
								46,377,534	46,793,178	2.92	
Picture eo es											
ldings, ORE ament)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.33%	10/17/2022	$ 1,548,210	1,548,210	1,548,210	0.10	
tion											

onal,	Delayed Draw Term Loan	LIBOR (Q)	1.00 %	8.50%	9.84%	7/31/2020	$ 1,251,626	1,231,645	1,246,933	0.08
onal,	Revolver Loan	LIBOR (Q)	1.00 %	8.50%	9.84%	7/31/2020	$ 491,303	482,070	489,092	0.03
onal,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.83%	7/31/2020	$ 15,213,518	15,042,452	15,179,287	0.95
org,	Second Lien Term Loan	LIBOR (M)	1.00 %	8.50%	9.74%	2/26/2024	$ 12,839,252	12,712,038	12,710,859	0.79
								29,468,205	29,626,171	1.85
cturing										
olding	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,577	0.30
olding	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.58
olding	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,146	0.06
								13,505,040	15,186,723	0.94
ng										
LLC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$ —	(24,000)	—	—
LLC	First Lien Term Loan	LIBOR (Q)	—	9.00%	10.31%	4/29/2021	$ 8,247,890	8,121,791	8,313,875	0.52
media LLC	First Lien Term Loan B	LIBOR (M)	1.00 %	6.50%	7.75%	12/23/2021	$ 13,125,000	11,957,589	13,075,781	0.82
oint s, LLC	First Lien Second Out Term Loan	LIBOR (M)	1.00 %	7.50%	8.74%	6/26/2022	$ 7,003,544	6,916,582	6,916,000	0.43
oint s, LLC	Revolver	LIBOR (M)	1.00 %	7.50%	N/A	6/26/2022	$ —	(5,366)	(5,506)	—
								26,966,596	28,300,150	1.77

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Ca an Invest
ents										
als										
ls	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.75%	9.99%	8/7/2019	$ 44,047,447	$ 42,913,836	$ 43,122,451	2.6
state										
nc.	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	8.96%	10.29%	12/23/2019	$ 12,794,670	12,703,330	12,794,670	0.8
ct	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.26%	4/17/2024	$ 25,202,549	24,954,120	25,782,207	1.6
								37,657,450	38,576,877	2.4
cations										
ologies,	Second Lien Term Loan	LIBOR (M)	1.25 %	7.75%	9.00%	4/30/2021	$ 4,516,129	4,470,968	4,542,458	0.2
ologies,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25%	9.25%	6/20/2025	$ 25,846,154	25,620,000	26,120,769	1.6
								30,090,968	30,663,227	1.9
g										
tional,	First Lien Term Loan	LIBOR (M)	1.00 %	9.00%	10.25%	4/13/2021	$ 1,900,733	1,900,733	1,900,733	0.1
levision										
dco,	Second Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.23%	1/23/2023	$ 11,536,391	11,508,154	11,644,545	0.7
easing										

ncial LC	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50%	10.74%	1/12/2020	$ 14,000,000	13,879,590	13,748,000	0.8
of	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.23%	10/13/2022	$ 5,000,000	4,913,427	5,100,000	0.3
								18,793,017	18,848,000	1.1
C (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 2,072,771	2,072,771	1,705,683	0.1
C (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/30/2018	$ 4,892,097	4,608,710	4,892,097	0.3
C (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 10,327,904	10,327,904	—	
C (Real	Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 3,252,610	3,237,187	2,676,572	0.1
C (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$ 6,490,093	6,490,093	6,490,103	0.4
								26,736,665	15,764,455	0.9
	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.81%	3/15/2021	$ 4,432,934	4,361,693	4,399,687	0.2
nc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.84%	10.07%	9/12/2022	$ 11,149,443	10,871,171	10,870,707	0.6
								15,232,864	15,270,394	0.9
cations										
ns United	Sr New Money Initial Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 1,273,204	1,240,014	1,062,330	0.0
ns United	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 3,248,857	3,166,787	2,710,765	0.1
ns United	Sr Secured Third-Priority Note	Fixed	—	12.00%	12.00%	10/1/2023	$ 6,729,804	3,428,151	1,716,100	0.1
								7,834,952	5,489,195	0.3

earch **nent**											
gs, Inc. ories,	First Lien Term Loan	LIBOR (Q)	—	2.50%	3.81%	4/29/2020	$	1,857,267	1,671,540	1,798,456	0.1
gs, Inc. ories,	Second Lien Term Loan	LIBOR (Q)	—	2.50%	3.81%	4/29/2020	$	4,189,589	2,787,440	4,084,849	0.2
gs, Inc. ories,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	11/3/2021	$	34,930,560	34,339,828	35,017,889	2.1
									38,798,808	40,901,194	2.5
shings											
et Mills,	First Lien Term Loan (1.5% Exit Fee)	LIBOR (Q)	1.00 %	10.00%Cash +1.00% PIK	12.3%	12/19/2019	$	21,061,727	21,061,727	20,988,011	1.3
et Mills,	First Lien Term Loan B (1.5% Exit Fee)	LIBOR (Q)	1.00 %	10.00%Cash +1.00% PIK	12.3%	12/19/2019	$	7,224,662	7,124,139	7,199,375	0.4
									28,185,866	28,187,386	1.7

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ts	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal or Shares	Cost	Fair Value	% T Cas Inves
Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	7.75%	9.08%	6/1/2025	$ 7,611,914	$ 7,536,412	$ 7,726,092	(
shing										
ional and)	First Lien Term Loan	LIBOR (Q)	1.00 %	13.00%Cash +2.00%PIK	16.31%	7/16/2018	$ 17,446,997	17,452,145	17,446,997	1
	First Lien Term Loan (2.0% Exit Fee)	LIBOR (M)	1.00 %	7.50% Cash +1.00% PIK	9.88%	11/1/2020	$ 35,204,503	34,711,491	34,708,120	2
, LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	11.00%	1/31/2020	$ 30,534,114	30,242,898	30,089,843	1
	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	10.06%	3/31/2019	$ 36,505,910	36,256,859	36,816,210	2
nal United	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.24%	11/4/2021	$ 26,358,696	25,825,375	25,939,592	1
x	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.33%	9/19/2025	$ 24,325,623	24,082,367	24,386,437	1
	First Lien Term Loan	LIBOR (Q)	—	2.80% Cash +8.45% PIK	12.63%	1/26/2022	$ 19,316,029	18,756,824	18,947,092	1
S,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.80%	12/31/2017	$ 5,621,605	5,607,200	5,613,173	(
tions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	14.32%	9/10/2021	$ 11,513,362	11,235,273	11,789,683	(
			—	13.00%	14.32%	9/10/2021	$ 11,513,362	11,235,273	11,789,683	(

tions	Second Lien Term Loan B	LIBOR (Q)								
ngs,	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	LIBOR (M)	—	8.88%	10.25%	9/1/2020	$ 14,529,322	13,826,524	13,876,940	(
	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62 %	9.88%	11.25%	1/1/2019	$ 2,255,976	2,210,023	2,224,505	(
ion	First Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.49%	7/31/2022	$ 16,397,517	16,077,665	16,069,567	1
ion	Revolver	LIBOR (M)	1.00 %	7.25%	N/A	7/31/2022	$ —	(27,167)	(28,110)	
								247,492,750	249,669,732	1
, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44%	12.81%	8/1/2020	$ 3,912,604	3,585,789	3,804,828	(
, Inc.	First Lien Delay Draw Term Loan A	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
, Inc.	First Lien Delay Draw Term Loan B	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
dings y) s)	Bank Guarantee Credit Facility	Fixed	—	8.00% PIK	9.34%	7/2/2018	$ 17,471,897	17,471,897	16,700,513	1
dings y) s)	Revolving Credit Facility	LIBOR (Q)	—	—	—	7/2/2018	$ 6,072,441	6,072,441	6,072,441	(
								27,130,127	26,577,782	1
	First Lien Term Loan	LIBOR (Q)	1.00 %	9.5%	10.74%	9/1/2021	$ 20,224,763	19,723,119	20,629,259	1

ations

s,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.73%	5/31/2018	$	325,447	322,212	325,252	(
s,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.51%	5/31/2018	$	1,321,328	1,315,866	1,320,321	(
s,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.72%	5/31/2018	$	7,110,607	7,039,918	7,106,340	(
									8,677,996	8,751,913	(
ations											
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$	10,000,000	10,000,000	11,443,750	(
									1,468,606,760	1,463,294,967	91
es											
blic											
, Inc.	Warrants to Purchase Series E Preferred Stock							1,125,000	185,450	177,750	(
	Warrants to Purchase Common Stock							995,902	159,270	159,245	(
	Warrants to Purchase Series E Preferred Stock							1,049,996	276,492	486,148	(
									621,212	823,143	(

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Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Air Transportation											
Aircraft Leased to United Airlines, Inc.											
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683	$ 2,979,575	$ 2,983,358	0.19 %	E/F/N
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	3,088,529	3,057,259	0.19 %	E/F/N
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843	855,313	3,451,916	0.22 %	C/E/N
								6,923,417	9,492,533	0.60 %	
Business Support Services											
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01 %	C/E/N
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						803,961	325,432	604,016	0.04 %	C/E/N
								556,370	747,149	0.05 %	
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	272,807	1,546	—	C/E/N
Nanosys, Inc.	Warrants to Purchase						800,000	605,266	806,400	0.05 %	C/E/N

	Preferred Stock					
			878,073	807,946	0.05 %	
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	500	—	B/C/E/N
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,049	1,255,527	0.08 %	C/E/F/N
Educational Support Services						
Edmentum Ultimate Holdings, LLC	Class A Common Units	159,515	680,226	1,595	—	B/C/E/N
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	480,640	0.03 %	E/N
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	15,170	—	E/N
			—	495,810	0.03 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	1,843	—	C/E/N
Equipment Leasing						
36th Street Capital Partners	Membership Units	7,082,618	7,082,618	9,445,380	0.59 %	C/E/F/N

Holdings, LLC						
Essex Ocean II, LLC	Membership Units	199,430	103,398	—	—	C/E/F/N
			7,186,016	9,445,380	0.59 %	
Financial Investment Activities						
GACP I, LP	Membership Units	16,607,783	16,697,588	17,159,258	1.07 %	E/I/N
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.01 %	B/E/N

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(A Delaware Limited Partnership)

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September 30, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)											
Motion Picture and Video Industries											
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Units						2,720,392	2,772,807	3,319,966	0.21 %	C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Warrants to Purchase Class A Units						343,387	196,086	51,714	—	C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Class B Warrants to Purchase Class A Units						346,794	198,032	52,227	—	C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Litigation Trust Units						407	—	1,201,138	0.08 %	C/N
								3,166,925	4,625,045	0.29 %	
Other Information Services											
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock						946,498	79,082	45,621	—	C/E/H/N
Other Manufacturing											
AGY Holding Corp.	Common Stock						1,333,527	$ —	$ —	—	B/C/E/N
KAGY Holding	Series A						9,778	1,091,200	11,021,542	0.69 %	B/C/E/N

Company, Inc.	Preferred Stock					
			1,091,200	11,021,542	0.69 %	
Plastics Manufacturing						
Iracore Investments Holdings, Inc.	Class A Common Stock	16,207	4,177,710	3,033,842	0.19 %	B/C/E/N
Radio and Television Broadcasting						
Fuse Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	—	—	C/E/N
Restaurants						
RM Holdco, LLC (Real Mex)	Equity Participation	24	—	—	—	B/C/E/N
RM Holdco, LLC (Real Mex)	Membership Units	13,161,000	2,010,777	—	—	B/C/E/N
			2,010,777	—	—	
Retail						
Shop Holding, LLC (Connexity)	Class A Units	507,167	480,048	—	—	C/E/N
Satellite Telecommunications						
Avanti Communications Group, PLC (United Kingdom)	Common Stock	245,368	3,086	26,300	—	C/D/H
Scientific Research and Development Services						
Lions Holdings, Inc. (BPA)	Series A Warrants to Purchase Common Stock	10,287	—	—	—	C/E/N
Lions Holdings, Inc. (BPA)	Series B Warrants to Purchase Common Stock	16,494	—	—	—	C/E/N

			—	—	—	
Software Publishing						
Actifio, Inc.	Warrants to Purchase Series F Preferred Stock	1,052,651	188,770	196,319	0.01 %	C/E/N
Blackline, Inc.	Common Stock	1,797	4,449	61,313	—	C/J
Tradeshift, Inc.	Warrants to Purchase Series D Preferred Stock	1,712,930	577,842	528,097	0.03 %	C/E/N
Utilidata, Inc.	Warrants to Purchase Preferred Stock	719,998	216,335	373,319	0.02 %	C/E/N
			987,396	1,159,048	0.06 %	

Special Value Continuation Partners, LP
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September 30, 2017

ier	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Note
ity Securities ntinued)											
lity System nstruction											
ergy Asia dings Limited ited Kingdom)	Class B Shares						1,000,000	1,000,000	1,007,900	0.06 %	C/E/F/H
ergy Asia dings Limited ited Kingdom)	Ordinary Shares						3,333	7,833,333	1,827,603	0.12 %	C/E/F/H
ssPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock						1,100,000	248,555	290,730	0.02 %	C/E/N
va Solar Holdings nited (Cayman nds)	Ordinary Shares						2,332,594	—	—	—	C/E/F/H
va Solar Holdings nited (Cayman nds)	Series B Preferred Shares						93,023	1,395,349	243	—	C/E/F/H
								10,477,237	3,126,476	0.20 %	
red ecommunications rriers											
elecom Investment .A. (Vivacom) xembourg)	Common Shares						1,393	3,236,256	1,976,927	0.12 %	C/D/E/H
al Equity urities								91,742,889	65,455,520	4.08 %	
al Investments								$ 1,560,349,649	$ 1,528,750,487		

<u>sh and Cash uivalents</u>			
sh Held on Account at Various titutions	$	64,929,885	4.06 %
lls Fargo Government Money rket Fund		4,000,000	0.25 %
lls Fargo Treasury Plus vernment Money Market Fund		3,000,000	0.19 %
sh and Cash uivalents		71,929,885	4.50 %
al Cash and estments	$	1,600,680,372	100 % M

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 Partnership may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Partnership'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 Partnership may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Partnership's total assets.

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

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Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2017

(K) Negative balances relate to an unfunded commitment that was acquired and/or valued at a discount.
(L) In addition to the stated coupon, investment has an exit fee payable upon repayment of the loan in an amount equal to the percentage of the original principal amount shown.
(M) All cash and investments, except those referenced in Notes G above, are pledged as collateral under certain debt as described in Note 4 to the Consolidated Financial Statements.
(N) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.
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 $652,394,259 and $434,061,754, respectively, for the nine months ended September 30, 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 September 30, 2017 was $1,527,461,735 or 95.4% of total cash and investments of the Partnership. As of September 30, 2017, approximately 12.6% of the total assets of the Partnership were not qualifying assets under Section 55(a) of the 1940 Act.

Options and Swaps at September 30, 2017 were as follows:

Receive	**Pay**	**Counter Party**	**Maturity**	**Notional Amount**	**Fair Value**	**Upfront payments/ receipts**	**Unrealized appreciation/ depreciation**
Interest at LIBOR plus 8.68% on USD 7,270,250	Interest at 8.00% on EUR 6,500,000	Wells Fargo Bank, N.A.	5/31/2019	USD 7,270,250/ EUR 6,500,000	$ (470,202)	$ —	$ (470,202)

See accompanying notes to the consolidated financial statements.

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	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investment
nents (A)										
es **to** **ediation**										
s ence, LP ource)	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 %
s ence, LP ource)	Revolver	LIBOR (Q)	1.00 %	6.75%	N/A	12/20/2021	$ —	(6,669)	(6,713)	—
nt, 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 %
es **to Real**										
tions,	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 %
ising and										
ns **s**										
Inc. ore)	First Lien Delayed Draw Tranche 1	LIBOR (M)	0.33 %	10.17%	10.98%	9/1/2018	$ 15,000,000	14,772,946	14,704,508	1.07 %

	Term Loan (1.25% Exit Fee)									
Inc. ore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
Inc. ore)	First Lien Delayed Draw Tranche 3 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
								14,772,946	14,704,508	1.07 %
ortation										
ir Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.00%	7/15/2022	$ 14,042,971	13,839,296	14,323,830	1.05 %
irlines,	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 %
irlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	N/A	2/28/2022	$ —	—	—	—
irlines,	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	N/A	12/31/2022	$ —	—	—	—
								30,098,309	30,580,935	2.24 %
ment creation										
hing I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$ —	(1,655,756)	(937,500)	(0.07)%
uthern ;s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.50%	11/3/2020	$ 24,220,291	23,755,180	23,735,885	1.73 %
uthern ;s, LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$ —	(16,444)	(17,123)	—
								22,082,980	22,781,262	1.66 %

l acturing										
Bros.,	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 %
Bros.,	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 %
arel s, 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 %
								21,892,884	22,241,779	1.63 %
g nent ctors										
Datacom rical,	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$ —	—	—	—
Datacom rical,	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 %
								14,092,734	14,188,374	1.04 %
s t s										
e Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(17,798)	70,000	0.01 %
e Global ogies,	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 %
irway tions, rst ge)	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 %
								54,438,625	54,763,006	4.01 %
cals										
Plant ts s, 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 %
Biologics,	Sr Secured Delayed Draw Term	Prime Rate	—	7.75%	11.50%	6/30/2019	$ 15,000,000	15,468,439	14,905,500	1.09 %

	Loan (12.4% Exit Fee)											
FE1 B.V. lands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$	253,581	245,565	251,684	0.02	%
FE1 B.V. lands)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$	3,864,583	3,836,083	3,835,599	0.28	%

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Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nents ued)										
s, 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 %
								37,071,903	36,955,240	2.70 %
unications nent acturing										
omm s, 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 %
e tion Co. m)	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 %
								18,981,589	19,357,729	1.42 %
ter s Design ated s										
nc.)	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 %
ocket, 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 %
oftware tion	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 %
o, 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 %
o, Inc.	Senior	LIBOR	1.00 %	9.50%	10.50%	8/16/2021	$ —	(47,341)	21,307	—

	Secured Revolver	(Q)								
terprise ns, Ltd.)	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 %
terprise ns, Ltd.)	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 10,320,000	10,268,787	10,320,000	0.75 %
SA, 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 %
SA, 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 %
ll ional, 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 %
								80,505,041	81,580,508	5.94 %
rocessing sting s										
Centers, LC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 6,876,756	6,876,756	6,876,756	0.50 %
Power tion, nission tribution										
e ble Fund 3, onergy)	First Lien Term Loan	Fixed	—	9.00% Cash +1.00% PIK	10.00%	9/10/2017	$ 7,518,173	7,491,471	7,442,991	0.54 %
nic nent acturing										
nc.	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 %
nc.	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 %
								17,039,630	17,034,455	1.24 %
nent g										
	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 29,203,304	29,203,304	29,203,304	2.13 %

eet Partners s, LLC										
cean, blexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,685,289	1,685,289	1,718,994	0.13 %
								30,888,593	30,922,298	2.26 %
es t Services										
oment	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00%	3/15/2018	$ 879,513	834,963	853,128	0.06 %
al nent es										
ia Finance Cayman	Asset-Backed Credit Linked Notes	Fixed	—	13.13%	13.13%	8/2/2021	$ 15,000,000	15,000,000	14,994,000	1.10 %
y Stores										
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 %

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December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	
ents ed)											
s											
althcare,	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 %	N
oast nt, 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 %	N
								22,664,594	23,204,111	1.69 %	
ce											
oup iate , Inc.	First Lien Delayed Draw Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ —	(8,333)	—	—	J
oup iate , Inc.	First Lien Revolver	Prime	—	4.50%	8.25%	12/30/2021	$ —	(7,595)	—	—	J
oup iate , Inc.	First Lien Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ 3,407,121	3,373,050	3,373,050	0.25 %	N
on											
, 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 %	N
lings,	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 %	N
e LLC gy)	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 %	N

								34,693,137	35,231,875	2.57 %	
of ncial											
iate 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 %	N
iate 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 %	N
								19,831,359	20,200,000	1.47 %	
ment, c, and al ng											
ata & s, 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 %	N
Picture eo es											
ldings, ORE ment)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.00%	10/17/2022	$ 1,445,592	1,445,592	1,387,712	0.10 %	N
pository											
diation											
kk C	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 %	N
Home nc.	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 %	N
n Group	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,568,148	29,108,170	2.13 %	E
ce,	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 %	N
e Select , 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 %	N

nance I, Ltd.	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	1.09 %	I
								121,889,596	122,238,506	8.93 %	
tion											
onal,	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 %	N
onal,	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 491,303	480,225	481,674	0.04 %	N
onal,	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 %	N
s , 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 %	N
oud ted)	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 %	I
, LLC lick)	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 %	C
								73,168,626	74,118,320	5.42 %	
cturing											
lding	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,710	0.36 %	I
lding	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.68 %	I
lding	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,147	0.08 %	I
s, 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 %	N

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
tments)										
Tube,	Subordinated Notes	LIBOR (M)	—	17.50%	N/A	2/1/2021	$ 1,030,741	$ 1,030,740	$ 107,200	0.01 %
								19,436,393	20,294,057	1.50 %
lishing										
LC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$ —	(24,000)	15,000	—
LC	First Lien Term Loan	LIBOR (Q)	—	9.00%	9.88%	4/29/2021	$ 8,614,356	8,459,058	8,549,749	0.62 %
dia Health,	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 %
unications										
chnologies,	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 %
uticals										
Medical c.	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 %
uring										
ernational,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	14,246,000	4,503,640	0.33 %
Television ing										
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 7,312,000	7,312,000	4,435,972	0.32 %

Holdco,	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 %
e Leasing										
ners of nc.	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 %
ts										
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
LLC (Real	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 %
								23,499,919	17,270,348	1.26 %
nc.	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 %
untain	Second Lien Term Loan	LIBOR (M)	—	9.50%	10.44%	6/15/2018	$ 14,740,910	14,618,096	14,749,754	1.08 %
pree n	First Lien Term Loan	LIBOR (Q)	—	10.25%	11.18%	9/24/2020	$ 12,857,349	12,618,039	13,050,209	0.95 %
ble s, 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 %
unications										
ations C (United	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	9,393,000	5,665,153	0.41 %

Research opment											
ldings, 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 %
Publishing										
ernational itzerland)	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 %
USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	10.75%	1/31/2020	$ 30,222,833	29,851,330	28,893,029	2.11 %
LLC	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	9.63%	3/31/2019	$ 35,627,947	35,263,561	35,538,877	2.60 %
tal US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.35%	12/31/2017	$ 5,837,798	5,754,455	5,823,203	0.43 %
, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	—
Ultimate LLC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,846,243	2,846,243	2,846,246	0.21 %

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal or Shares		Cost		Fair Value	% of Total Cash Investr
ents												
timate C	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,040,391	$	12,539,980	$	12,101,483	0.8
itionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.00%	11/4/2019	$ 42,565,572		41,986,034		42,991,228	3.1
itionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 3,182,143		3,182,143		3,213,964	0.2
lutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,361		11,196,782		11,334,905	0.8
lutions	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,362		11,196,782		11,334,905	0.8
	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	1.3
	Convertible Promissory Note	Fixed	—	10.00%	10.00%	12/16/2017	$ 2,282,609		2,282,609		5,504,054	0.4
	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	0.2
									205,348,625		209,864,270	15.3
shings												
et Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 22,804,525		22,804,525		22,827,329	1.6
et Mills,	First Lien	LIBOR	1.00 %	10.00%	11.00%	12/19/2019	$ 7,822,482		7,681,925		7,830,304	0.5

	Term Loan B	(Q)								
								30,486,450	30,657,633	2.2
n										
oldings nan	Bank Guarantee Credit Facility	Fixed	—	8.20% Cash +3.50% PIK	11.70%	7/2/2017	$ 21,276,420	21,276,420	21,276,653	1.5
oldings nan	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 4,000,000	4,000,000	4,000,000	0.2
								25,276,420	25,276,653	1.8
	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	9/1/2021	$ 21,023,109	20,424,799	21,601,245	1.5
cations										
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.53%	5/31/2018	$ 332,044	328,743	326,682	0.0
ons,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.66%	5/31/2018	$ 1,355,968	1,346,859	1,328,296	0.1
ons,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.42%	5/31/2018	$ 7,255,721	7,183,589	7,139,992	0.5
m	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.50%	9.75%	2/22/2020	$ 13,231,193	13,084,285	13,313,989	0.9
fic Corp.	First Lien Notes	LIBOR (Q)	1.00 %	8.50%	9.50%	2/24/2021	$ 10,000,000	9,715,362	10,000,000	0.7
								31,658,838	32,108,959	2.3
cations										
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	10,900,000	0.8
								1,254,861,949	1,248,887,808	91.2
ties										

nd ons					
	Warrants to Purchase Stock	562,496	230,569	87,356	0.0
tation					
d to s, Inc.					
A-767, A)	Trust Beneficial Interests	683	3,250,956	3,191,938	0.2
A-767, A)	Trust Beneficial Interests	688	3,376,251	3,266,101	0.2
. (One	Warrants to Purchase Common Stock	1,843	855,313	1,909,600	0.1
			7,482,520	8,367,639	0.6
port					
LLC	Membership Units	708,229	230,938	143,133	0.0
C (First	Class A Units	841,479	325,432	1,112,351	0.0
			556,370	1,255,484	0.0

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

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)											
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	$ 274,213	$ 875	—	C/E/M
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	611,920	0.05 %	C/E/M
								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/M
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/M
Waterfall International, Inc.	Warrants to Purchase Stock						920,000	89,847	175,168	0.01 %	C/E/M
								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/M
Rightside Group, Ltd.	Warrants	498,855	2,778,622	366,489	0.03 %	C/E/M
			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/M
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	54,525	—	E/M
			—	1,782,147	0.13 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	5,222	—	C/E/M
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50 %	C/E/F/M
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01 %	C/E/F/M
			6,922,295	6,977,942	0.51 %	
Financial Investment Activities						
GACP I, LP	Membership Units	16,615,951	16,735,088	16,866,903	1.23 %	C/E/I/M
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I/M
			16,907,782	16,868,590	1.23 %	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.02 %	B/E/M

Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	1,235,194	1,292,023	0.09 %	C/E/M
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,551,056	0.11 %	C/E/M
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	196,086	0.01 %	C/E/M
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	198,032	0.02 %	C/E/M
			3,166,925	3,237,197	0.23 %	
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082	95,502	0.01 %	C/E/H/M
Other Manufacturing						
AGY Holding Corp.	Common Stock	1,333,527	—	—	—	B/C/E/M
Boomerang Tube Holdings, Inc.	Common Stock	24,288	243	—	—	C/E/M
KAGY Holding Company, Inc.	Series A Preferred Stock	9,778	1,091,200	4,607,246	0.34 %	B/C/E/M
			1,091,443	4,607,246	0.34 %	
Radio and Television Broadcasting						
Fuse Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	—	—	C/E/M

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	No
y Securities nued)											
urants											
oldco, LLC Mex)	Equity Participation						24	$ —	$ —	—	B/C/E
oldco, LLC Mex)	Membership Units						13,161,000	2,010,777	—	—	B/C/E
								2,010,777	—	—	
Holding, LLC exity)	Class A Units						507,167	480,049	—	—	C/E/M
are Publishing											
ine ediate, Inc.	Warrants to Purchase Common Stock						246,546	522,678	5,300,373	0.39 %	C/E/M
ntum Ultimate ngs, LLC	Class A Common Units						159,515	680,226	1,123,591	0.08 %	B/C/E
, Inc.	Warrants to Purchase Series F Preferred Stock						1,251,630	533,192	794,535	0.06 %	C/E/M
ata, Inc.	Warrants to Purchase Stock						719,998	216,336	204,983	0.01 %	C/E/M
								1,952,432	7,423,482	0.54 %	
y System ruction											
Solar Holdings ed (Cayman s)	Ordinary Shares						2,332,594	—	—	—	C/E/F
							93,023	1,395,349	1,395,350	0.10 %	C/E/F

Solar Holdings d (Cayman s)	Series B Preferred Shares					
			1,395,349	1,395,350	0.10 %	
l **ommunications ers**						
a Telecom, Inc.	Common Stock	1,274,522	8,433,884	6,533,964	0.48 %	C/E/N
a Telecom, Inc.	Warrants	346,939	19,920	—	—	C/E/N
ecom Investment (Vivacom) mbourg)	Common Shares	1,393	3,236,256	2,199,862	0.16 %	C/D/I
			11,690,060	8,733,826	0.64 %	
Equity ities			91,203,870	66,082,062	4.83 %	
Investments			$ 1,346,065,819	$ 1,314,969,870		
and Cash alents						
Held on Account ious Institutions				53,579,868	3.92 %	
and Cash alents				53,579,868	3.92 %	
Cash and ments				$ 1,368,549,738	100.00 %	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)

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Investments (Continued)

December 31, 2016

(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 Partnership may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Partnership'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 Partnership may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Partnership'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.
(M) Inputs in the valuation of this investment included certain unobservable inputs that were significant to the valuation as a whole.
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 Partnership. As of December 31, 2016, approximately 16.4% of the total assets of the Partnership were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Statements of Operations (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Investment income				
Interest income:				
Companies less than 5% owned	$ 39,120,645	$ 35,115,862	$ 117,016,921	$ 99,016,633
Companies 5% to 25% owned	1,856,712	1,848,171	5,365,553	4,982,075
Companies more than 25% owned	1,363,740	1,313,034	4,720,816	1,915,981
Dividend income:				
Companies less than 5% owned	—	—	16,627	—
Lease income:				
Companies more than 25% owned	74,457	71,013	223,370	1,496,869
Other income:				
Companies less than 5% owned	841,895	120,910	1,424,831	1,241,885
Companies 5% to 25% owned	31,486	—	94,458	—
Total investment income	43,288,935	38,468,990	128,862,576	108,653,443
Operating expenses				
Management and advisory fees	5,611,249	4,816,043	15,624,277	13,976,545
Interest and other debt expenses	3,802,170	3,991,357	12,152,883	11,758,525
Administrative expenses	597,232	429,867	1,730,638	1,267,815
Legal fees, professional fees and due diligence expenses	175,002	267,294	692,722	811,002
Director fees	77,445	65,251	281,816	198,191
Custody fees	84,160	75,120	241,801	229,221
Insurance expense	74,571	53,328	218,667	190,230
Other operating expenses	375,650	265,612	1,306,669	861,548
Total operating expenses	10,797,479	9,963,872	32,249,473	29,293,077
Net investment income	32,491,456	28,505,118	96,613,103	79,360,366
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	(4,663,896)	(763,617)	(11,540,457)	(4,490,140)
Investments in companies 5% to 25% owned	—	102,392	—	417,446

Investments in companies more than 25% owned	—	—	—	79,742
Net realized loss	(4,663,896)	(661,225)	(11,540,457)	(3,992,952)
Change in net unrealized appreciation/depreciation	(2,772,338)	869,981	(967,257)	53,816
Net realized and unrealized gain (loss)	(7,436,234)	208,756	(12,507,714)	(3,939,136)
Net increase in net assets applicable to common limited and general partners resulting from operations	$ 25,055,222	$ 28,713,874	$ 84,105,389	$ 75,421,230

See accompanying notes to the consolidated financial statements.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Statements of Changes in Net Assets (Unaudited)

	Nine Months Ended September 30, 2017 (Unaudited)		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of period	$ 1,031,709,637	$ 1,031,709,637	$ —
Contributions from common limited partner	217,286,250	217,286,250	—
Net investment income	96,613,103	79,915,915	16,697,188
Net realized loss	(11,540,457)	(11,540,457)	—
Change in unrealized appreciation/depreciation	(967,257)	(967,257)	—
Net increase in net assets applicable to common limited and general partners resulting from operations	84,105,389	67,408,201	16,697,188
Distributions to common limited and general partners from:			
Net investment income	(89,131,416)	(72,434,228)	(16,697,188)
Net assets applicable to common limited and general partners, end of period (including accumulated net investment income of $25,246,361 in the account of the Common Limited Partner)	$ 1,243,969,860	$ 1,243,969,860	$ —

	Year Ended December 31, 2016		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of year	$ 827,455,601	$ 827,455,601	$ —
Contributions from common limited partner	200,870,570	200,870,570	—
Net investment income	106,953,875	87,903,210	19,050,665
Net realized loss	(15,002,148)	(15,002,148)	—
Change in unrealized appreciation/depreciation	15,116,650	15,116,650	—
Net increase in net assets applicable to common limited and general partners resulting from operations	107,068,377	88,017,712	19,050,665
Distributions to common limited and general partners from:			
Net investment income	(101,805,363)	(82,754,698)	(19,050,665)

Returns of capital	(1,879,548)	(1,879,548)	—
Total distributions to common limited and general partners	(103,684,911)	(84,634,246)	(19,050,665)
Net assets applicable to common limited and general partners, end of year (including accumulated net investment income of $17,764,674 in the account of the Common Limited Partner)	$ 1,031,709,637	$ 1,031,709,637	$ —

See accompanying notes to the consolidated financial statements.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Statements of Cash Flows (Unaudited)

	Nine Months Ended September 30,	
	2017	**2016**
Operating activities		
Net increase in net assets applicable to common limited and general partners resulting from operations	$ 84,105,389	$ 75,421,230
Adjustments to reconcile net increase in net assets applicable to common limited and general partners resulting from operations to net cash used in operating activities:		
Net realized loss	11,540,457	3,992,952
Change in net unrealized appreciation/depreciation of investments	973,413	121,178
Net amortization of investment discounts and premiums	(10,569,705)	(9,263,325)
Interest and dividend income paid in kind	(10,130,140)	(5,209,391)
Amortization of deferred debt issuance costs	1,541,529	1,392,804
Changes in assets and liabilities:		
Purchases of investment securities	(642,264,119)	(374,607,255)
Proceeds from sales, maturities and pay downs of investments	434,061,754	294,224,143
Increase in accrued interest income - companies less than 5% owned	(1,809,544)	(2,224,606)
Increase in accrued interest income - companies 5% to 25% owned	(1,284,273)	(295,458)
Decrease in accrued interest income - companies more than 25% owned	13,845	13,311
Increase in receivable for investments sold	(13,414,257)	(6,306,581)
Decrease (increase) in prepaid expenses and other assets	(2,837,021)	1,286,678
Increase in payable for investments purchased	73,196,164	2,725,929
Decrease in interest payable	(1,109,871)	(240,203)
Increase in payable to the Advisor	343,517	205,118
Increase (decrease) in accrued expenses and other liabilities	(44,168)	314,062
Net cash used in operating activities	(77,687,030)	(18,449,414)
Financing activities		
Borrowings	321,000,000	473,700,000
Repayments of debt	(352,500,000)	(473,500,000)
Payments of debt issuance costs	(1,414,500)	(441,350)
Distributions paid to the common limited partner	(72,434,228)	(62,527,287)
Distributions of incentive allocation to the General Partner	(15,900,475)	(14,408,427)
Contributions from the common limited partner	217,286,250	200,870,570
Net cash provided by financing activities	96,037,047	123,693,506

Net increase in cash and cash equivalents	18,350,017	105,244,092
Cash and cash equivalents at beginning of period	53,579,868	35,629,435
Cash and cash equivalents at end of period	$ 71,929,885	$ 140,873,527
Supplemental cash flow information		
Interest payments	$ 10,525,996	$ 9,714,732

See accompanying notes to the consolidated financial statements.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited)

September 30, 2017

1. Organization and Nature of Operations

Special Value Continuation Partners, LP (the Partnership), a Delaware limited partnership, commenced operations on July 31, 2006 as an externally managed, closed-end, non-diversified management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). On April 2, 2012, the Partnership elected to be treated as a business development company (BDC) under the 1940 Act. The Partnership s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection.

Investment operations are conducted either directly in the Partnership or in one of the Partnership s wholly owned subsidiaries, TCPC Funding I, LLC, a Delaware limited liability company (TCPC Funding), and TCPC SBIC, LP, a Delaware limited partnership (the SBIC). The 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. The Partnership, TCPC Funding, and the SBIC invest primarily in the debt of middle-market companies, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, the Partnership, TCPC Funding, and the SBIC may make equity investments directly. The Partnership, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes. TCP Capital Corp. (TCPC) owns the entire common limited partner interest in the Partnership. TCPC has also elected to be treated as a business development company under the 1940 Act.

The general partner of the Partnership is Series H of SVOF/MM, LLC, which also serves as the administrator of both TCPC and the Partnership (the Administrator or the General Partner). The managing member of the General Partner is Tennenbaum Capital Partners, LLC, which serves as the Advisor to TCPC, the Partnership, TCPC Funding and the SBIC. All of the equity interests in the General Partner are owned directly by the Advisor.

Partnership management consists of the General Partner and the board of directors. The General Partner directs and executes the day-to-day operations of the Partnership subject to oversight from the board of directors, which performs certain functions required by the 1940 Act. The board of directors has delegated investment management of the Partnership s assets to the Advisor. The board of directors consists of seven persons, five of whom are independent.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Partnership include the accounts of the Partnership, TCPC Funding and the SBIC and have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). The Partnership is an investment company following accounting and reporting guidance in Accounting Standards Codification (ASC) Topic 946, *Financial Services - Investment Companies*. The Partnership has consolidated the results of its wholly owned subsidiaries in its consolidated financial statements in accordance with ASC Topic 946. All intercompany account balances and transactions have been eliminated in consolidation. The following is a summary of the significant accounting policies of the Partnership.

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.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Investment Valuation

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 Partnership. 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 Partnership, using valuations determined directly by the Advisor. Such valuations are determined under a documented valuation policy that has been reviewed and approved by the 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 actually liquidated. The foregoing policies apply to all investments, including any in companies and groups of affiliated companies aggregating more than 5% of the Partnership 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.

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.

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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 September 30, 2017, the Partnership 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	$ —	$ —	$ 87,613
2	Other direct and indirect observable market inputs *	140,288,886	11,443,750	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,239,716,175	71,846,156	63,217,780
3	Advisor valuations with significant unobservable inputs	—	—	2,150,127
		$ 1,380,005,061	$ 83,289,906	$ 65,455,520

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of September 30, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 1,116,767,255	Income approach	Discount rate	5.8% - 27.5% (11.9%)
	66,626,635	Market quotations	Indicative bid/ask quotes	1 (1)
	22,867,951	Market comparable companies	Revenue multiples	0.4x - 2.9x (1.1x)
	33,454,334	Market comparable companies	EBITDA multiples	3.4x - 9.5x (6.9x)
	56,724,406	Market quotations	Indicative bid/ask quotes	1 - 11 (7)
Other Corporate Debt				

	5,853,750	Market comparable companies	Revenue multiples	2.0x (2.0x)
	9,268,000	Market comparable companies	EBITDA multiples	8.0x (8.0x)
Equity	7,557,538	Income approach	Discount rate	4.0% - 19.5% (7.1%)
	30,631,924	Market quotations	Indicative bid/ask quotes	1 (1)
	3,516,942	Market comparable companies	Revenue multiples	0.3x - 4.4x (2.1x)
	23,661,503	Market comparable companies	EBITDA multiples	3.4x - 18.0x (9.0x)
	$ 1,376,930,238			

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 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 September 30, 2017 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
Net realized and unrealized gains (losses)	(1,698,366)	(2,413,331)	(539,557)
Acquisitions *	219,258,618	10,349,086	11,837,810
Dispositions	(109,506,611)	(31,735,226)	(13,440,362)
Ending balance	$ 1,239,716,175	$ 71,846,156	$ 63,217,780
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ (1,940,418)	$ (2,413,332)	$ (2,625,120)

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ —	$ —	$ 2,221,444
Net realized and unrealized gains (losses)	—	—	(69,630)
Dispositions	—	—	(1,687)
Ending balance	$ —	$ —	$ 2,150,127
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)	$ —	$ —	$ (69,630)

There were no transfers between Level 1 and 2 during the three months ended September 30, 2017.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the nine months ended September 30, 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)	(17,582,409)	(3,758,757)	34,522
Acquisitions *	559,544,251	25,582,996	28,384,223
Dispositions	(307,732,609)	(51,912,936)	(27,845,217)
Transfers out of Level 3 †	(30,557,515)	—	—
Reclassifications within Level 3 ‡	—	—	(1,877,649)
Ending balance	$ 1,239,716,175	$ 71,846,156	$ 63,217,780
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)	$ (9,121,109)	$ (3,393,578)	$ 819,830

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of two investments that were transferred to Level 2 due to increased observable market activity
‡ Comprised of three investments that were 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)	65,797	—	(1,285,996)
Acquisitions *	(20,962)	—	—
Dispositions	(152,034)	—	(1,687)
Reclassifications within Level 3 †	—	—	1,877,649
Ending balance	$ —	$ —	$ 2,150,127
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ —	$ —	$ (1,285,996)

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

(1) Comprised of three investments that were reclassified from Independent Third-Party Valuation

There were no transfers between Level 1 and 2 during the nine months ended September 30, 2017.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

At December 31, 2016, the Partnership 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

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)
	27,872,723	Market comparable companies	EBITDA multiples	7.3x – 11.0x (8.4x)
Other Corporate Debt	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)
	$ 1,204,168,571			

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the three months ended September 30, 2016 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net realized and unrealized gains (losses)	185,985	1,148,520	(1,782,745)
Acquisitions *	143,164,985	7,310,415	5,540,103
Dispositions	(102,376,236)	—	(3,007,459)
Transfers out of Level 3 †	—	(46,265,760)	—
Transfers into Level 3 ‡	6,502,839	—	—
Reclassifications within Level 3 §	—	—	(320,682)
Ending balance	$ 1,033,851,938	$ 70,440,958	$ 53,494,113
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)	$ 2,587,265	$ 1,148,520	$ (1,782,745)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of two investments that transferred to Level 2 due to increased observable market activity
‡ Comprised of one investment that transferred from Level 2 due to reduced trading volumes
§ Comprised of one investment that reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 146,365	$ —	$ 1,855,336
Net realized and unrealized gains (losses)	3,093	—	(319,764)
Dispositions	—	—	(102,763)
Reclassifications within Level 3 *	—	—	320,682
Ending balance	$ 149,458	$ —	$ 1,753,491
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized	$ 3,093	$ —	$ (420,896)

gains/losses, above)

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

There were no transfers between Level 1 and 2 during the three months ended September 30, 2016.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the nine months ended September 30, 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)	4,677,005	(1,665,010)	(5,662,544)
Acquisitions *	324,878,794	23,280,718	19,764,729
Dispositions	(249,281,514)	—	(10,238,452)
Transfers out of Level 3 †	(5,492,400)	(46,265,760)	—
Transfers into Level 3 ‡	51,102,716	5,776,480	—
Reclassifications within Level 3 §	—	—	(325,743)
Ending balance	$ 1,033,851,938	$ 70,440,958	$ 53,494,113
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)	$ 7,944,054	$ (1,665,010)	$ (5,637,217)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of three investments that transferred to Level 2 due to increased observable market activity
‡ Comprised of six investments that transferred from Level 2 due to reduced trading volumes
§ Comprised of two investments that reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,124,504	$ —	$ 2,428,217
Net realized and unrealized losses	(923,349)	—	(582,896)
Acquisitions *	1,050,297	—	243
Dispositions	(1,101,994)	—	(417,816)
Reclassifications within Level 3 †	—	—	325,743
Ending balance	$ 149,458	$ —	$ 1,753,491
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and	$ (881,282)	$ —	$ (999,280)

unrealized gains/losses, above)

* 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 nine months ended September 30, 2016.

Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 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 Partnership 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 Partnership may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.7% and 0.2% of total investments at September 30, 2017 and December 31, 2016, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at September 30, 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 Partnership may enter into certain derivative transactions. All derivatives are subject to a master netting agreement and 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

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Special Value Continuation Partners, LP
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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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 Partnership to pledge assets as collateral to secure its obligations. The Partnership was required under the terms of its swap agreement to pledge assets as collateral to secure its obligation. As of September 30, 2017, $0.8 million of cash was held as collateral and was included in cash and cash equivalents in the Consolidated Statements of Assets and Liabilities.

During the nine months ended September 30, 2017, the Partnership entered into a cross currency basis swap with a notional amount of $7.2 million. The cross currency basis swap is reported in the Consolidated Statements of Assets and Liabilities as unrealized depreciation on swaps. Gains and losses from derivatives during the nine months ended September 30, 2017 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Cross currency basis swap	$ —	$ (470,202)

During the nine months ended September 30, 2016, the Partnership entered into a GBP put option with a notional amount of £2.7 million. During the nine months ended September 30, 2016, the Partnership's interest rate cap with a notional amount of $25.0 million expired and the Partnership exited a cross currency swap with a notional amount of $16.4 million. Gains and losses from derivatives during the nine months ended September 30, 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	$ —	$ 460,972
Cross currency basis swap	2,746,072	(3,229,442)
Interest rate cap	(51,750)	51,750

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 $1.1 million were incurred during 2017 in connection with extending the TCPC Funding Facility (see Note 4). Costs of approximately $0.4 million and $1.2 million were incurred during 2017 and 2016, 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 Partnership.

Revenue Recognition

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

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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 income or loss of the Partnership, TCPC Funding and the SBIC is reported in the respective partners income tax returns. Consequently, no income taxes are paid at the partnership level or reflected in the Partnership s financial statements. In accordance with ASC Topic 740 - *Income Taxes*, the Partnership 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. The tax returns of the Partnership, TCPC Funding and the SBIC remain open for examination by tax authorities for a period of three years from the date they are filed. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of the Partnership s investments (including derivatives) for U.S. federal income tax purposes at September 30, 2017 and December 31, 2016 were as follows:

	September 30, 2017	December 31, 2016
Unrealized appreciation	$ 41,846,827	$ 33,945,996
Unrealized depreciation	(73,916,191)	(65,041,945)
Net unrealized depreciation	$ (32,069,364)	$ (31,095,949)
Cost	$ 1,560,349,649	$ 1,346,065,819

Recent Accounting Pronouncements

During the first quarter of 2016, the Partnership 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 Partnership s consolidated financial statements.

The Partnership 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. The adoption of these ASUs resulted in the reclassification of certain debt issuance costs related to the Term Loan and SBA Debentures (as defined in Note 4) from deferred debt issuance costs to debt in the Consolidated Statements of Assets and Liabilities. As of September 30, 2017 and December 31, 2016, $2.8 million and $2.7 million in debt issuance costs, respectively, were included in debt in the Consolidated Statements of Assets and Liabilities.

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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 Partnership 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 Partnership does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

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 Partnership does not expect the adoption of this pronouncement to have a material impact on the Partnership s consolidated financial statements.

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, the Final Rules) intended to modernize the reporting and disclosure of information by registered investment companies and business development companies. In part, the Final Rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X was August 1, 2017, and the Company has implemented the applicable requirements into this report, namely the standardized reporting of derivatives in the consolidated schedule of investments, disclosure of investments that had valuations which included certain unobservable inputs that were significant to the valuation as a whole and disclosure of realized gains/(losses) on controlled affiliated investments.

3. Management Fees, Incentive Compensation and Other Expenses

The Partnership s management fee is calculated at an annual rate of 1.5% of total assets (excluding cash and cash equivalents) of TCPC 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 that TCPC's total performance exceeds a cumulative 8% annual return since January 1, 2013 (the Total Return Hurdle). 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 January1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is allocated to the account of the General Partner based on

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

3. Management Fees, Incentive Compensation and Other Expenses – (continued)

the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of TCPC and the Partnership at net asset value on the balance sheet date. The General Partner s equity interest in the Partnership is comprised entirely of such reserve amount, if any. As of September 30, 2017 and December 31, 2016, no such reserve was allocated.

The Partnership 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 amounts outstanding under a term loan issued by the Partnership (the Term Loan) prior to its full repayment on August 9, 2017, amounts outstanding under a senior secured revolving credit facility issued by the Partnership (the SVCP Revolver and together with the Term Loan prior to its full repayment on August 9, 2017, the SVCP Facility), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the TCPC Funding Facility), and debentures guaranteed by the SBA (the SBA Debentures).

Total leverage outstanding and available at September 30, 2017 was as follows:

	Maturity	**Rate**	**Carrying Value**	**Available**	**Total Capacity**
SVCP Revolver	2018	L+2.50 %*	$ 30,000,000	$ 86,000,000	$ 116,000,000
TCPC Funding Facility	2021	L+2.50 %†	200,000,000	150,000,000	350,000,000
SBA Debentures	2024–2027	2.57 %‡	75,000,000	75,000,000	150,000,000
Total leverage			305,000,000	$ 311,000,000	$ 616,000,000
Unamortized issuance costs			(2,750,014)		
Debt, net of unamortized issuance costs			$ 302,249,986		

* 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%.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

4. Leverage – (continued)

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

	Maturity	Rate	Carrying Value	Available	TotalCapacity
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
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			336,500,000	$ 380,000,000	$ 716,500,000
Unamortized issuance costs			(2,712,574)		
Debt, net of unamortized issuance costs			$ 333,787,426		

* 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 September 30, 2017 and December 31, 2016 were 3.49% and 3.23%, respectively.

Total expenses related to debt include:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Interest expense	$ 9,416,125	$ 9,474,529
Amortization of deferred debt issuance costs	1,541,529	1,392,804
Commitment fees	1,195,229	891,192
Total	$ 12,152,883	$ 11,758,525

Outstanding leverage is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of September 30, 2017, the estimated fair values of the SVCP Revolver, the TCPC Funding Facility and the SBA Debentures approximated their carrying values. The estimated fair values of the SVCP Revolver, the TCPC Funding Facility and the SBA Debentures are determined by discounting projected remaining payments using market interest rates for borrowings of the Partnership and entities with similar credit risks at the measurement date. At September 30, 2017, the estimated fair values of the SVCP Revolver, the TCPC Funding Facility and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

SVCP Facility

The SVCP Facility consists of 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 Revolver") and, prior to its full repayment on August 9, 2017, a $100.5 million senior secured term loan. The SVCP Revolver 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 Revolver 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

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Special Value Continuation Partners, LP
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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

4. Leverage – (continued)

facility, or 0.25% per annum when less than $46.4 million in borrowings are outstanding. The SVCP Revolver may be terminated, and any outstanding amounts thereunder may become due and payable, should the Partnership fail to satisfy certain financial or other covenants. As of September 30, 2017, the Partnership was in full compliance with such covenants.

SBA Debentures

As of September 30, 2017, the SBIC is able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of September 30, 2017, the Partnership 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.

SBA Debentures outstanding as of September 30, 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 %
September 20, 2017	September 1, 2027	$ 14,000,000	2.52 %	0.36 %
		$ 75,000,000	2.57 %*	

*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 %
		$ 61,000,000	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 April 26, 2021, subject to extension by the lender at the request of TCPC Funding. The facility contains an accordion

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

4. Leverage – (continued)

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 September 30, 2017, TCPC Funding was in full compliance with such covenants.

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

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

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

The Consolidated Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at September 30, 2017 and December 31, 2016 as follows:

		Unfunded Balances	
Issuer	**Maturity**	**September 30, 2017**	**December 31, 2016**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 708,333	$ 833,333
Alera Group Intermediate Holdings, Inc.	12/30/2022	759,546	759,547
Alpheus Communications, LLC	5/31/2018	357,419	357,419
AP Gaming I, LLC	12/20/2018	N/A	12,500,000
Applause App Quality, Inc.	9/20/2022	1,509,820	N/A
Asset International, Inc.	7/1/2021	1,325,721	1,325,721
Auto Trakk SPV, LLC	12/21/2021	3,827,058	3,827,058

Bisnow, LLC	4/29/2021	1,200,000	1,200,000
Caliber Home Loans, Inc.	6/30/2020	4,444,444	6,666,667
Edmentum, Inc.	6/9/2020	3,368,586	3,368,586
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	4,000,000
Foursquare Labs, Inc.	6/1/2020	3,750,000	N/A
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.	12/31/2019	8,299,181	7,500,000
Marketo, Inc.	8/16/2021	1,704,545	1,704,545
Mesa Airlines, Inc.	2/28/2022	N/A	9,268,182
Mesa Airlines, Inc.	12/31/2022	N/A	9,731,591

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

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

		Unfunded Balances	
Issuer	**Maturity**	**September 30, 2017**	**December 31, 2016**
Patient Point Network Solutions, LLC	6/26/2022	440,474	N/A
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	581,841	671,356
Pulse Secure, LLC	5/1/2022	1,342,516	N/A
RM OpCo, LLC (Real Mex)	3/30/2018	188,903	N/A
Tradeshift Holdings, Inc.	9/1/2020	9,941,115	N/A
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Videology Tech Technologies, LLC	1/10/2020	9,202,379	N/A
Xactly Corporation	7/31/2022	1,405,501	N/A
Total Unfunded Balances		$ 75,213,546	$ 66,674,093

6. Related Party Transactions

TCPC, the Partnership, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Partnership advances payments to third parties on behalf of TCPC which are reimbursable through deductions from distributions to TCPC. At September 30, 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 Partnership and receives reimbursement from the Partnership. At September 30, 2017 and December 31, 2016, amounts reimbursable to the Advisor totaled 0.7 million and 0.3 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to an administration agreements between the Administrator and the Partnership (the Administration Agreement), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Partnership, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Partnership. For the nine months ended September 30, 2017 and 2016, expenses allocated pursuant to the Administration Agreements totaled $1.7 million and $1.3 million, respectively.

7. Distributions

The Partnership s distributions are recorded on the record date. The timing of distributions is determined by the General Partner, which has provided the Advisor with certain criteria for such distributions.

8. Subsequent Events

On November 7, 2017, TCPC s board of directors declared a fourth quarter regular dividend of $0.36 per share payable on December 29, 2017 to stockholders of record as of the close of business on December 15, 2017.

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Notes to Consolidated Financial Statements (Unaudited) (continued)

September 30, 2017

9. Financial Highlights

The financial highlights with respect to the common limited partner are as follows:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Return on invested assets [1], [2]	8.7 %	8.7 %
Gross return to common limited partner [1]	7.9 %	9.0 %
Less: General Partner incentive allocation [1]	(1.6)%	(1.8)%
Return to common limited partner [1], [3]	6.3 %	7.2 %
Ratios to average common equity: [4]		
Net investment income	9.5 %	10.0 %
Expenses	3.9 %	4.5 %
Expenses and General Partner allocation	5.3 %	6.1 %
Ending net assets attributable to common limited partner	$ 1,243,969,860	$ 1,026,886,283
Portfolio turnover rate [1]	31.1 %	23.8 %
Weighted-average leverage outstanding	$ 332,714,286	$ 404,391,241
Weighted-average interest rate on leverage	3.8 %	3.1 %

(1) Not annualized.

(2) Return on invested assets is a time-weighted, geometrically linked rate of return and excludes cash and cash equivalents.

(3) Returns (net of allocations to General Partner and Partnership expenses, including financing costs and management fees) are calculated on a monthly geometrically linked, time-weighted basis.

(4) Net investment income and expenses annualized. General Partner allocation not annualized.

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

Nine months ended September 30, 2017

Security	Dividends or Interest [2]	Fair Value at December 31, 2016	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions [3]	Dispositions [4]	Fair Value at September 30, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 6,818,897	$ —	$ 2,362,761	$ 1,876,574	$ (1,612,852)	$ 9,445,380
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	2,814,491	29,203,304	—	—	10,323,288	(17,829,721)	21,696,871
AGY Holding Corp., Common Stock	—	—	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	764,610	9,268,000	—	—	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	95,472	1,049,147	—	(1)	—	—	1,049,146
AGY Holding Corp., Senior Secured Term	443,133	4,869,710	—	(133)	—	—	4,869,577

Loan, 12%, due 9/15/16							
Anacomp, Inc., Class A Common Stock	—	1,205,306	—	50,221	—	—	1,255,527
Conergy Asia Holdings Limited, Class B Shares	—	—	—	7,900	1,000,000	—	1,007,900
Conergy Asia Holdings Limited, Ordinary Shares	—	—	—	—	7,833,333	(6,005,729)	1,827,604
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,123,796	12,101,483	—	(2,034,497)	1,106,331	—	11,173,317
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	190,177	2,846,246	—	—	187,429	—	3,033,675
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	78,261	—	—	—	3,368,589	(3,368,589)	—
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	1,123,591	—	(1,121,996)	—	—	1,595
EPMC HoldCo, LLC, Membership Units	—	210,035	—	—	—	—	210,035
Essex Ocean II, LLC, Membership Units	—	159,045	—	(159,045)	—	—	—
	973,215	14,480,002	—	(1,033,747)	373	(37,320)	13,409,308

Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18							
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	91,711	—	—	—	1,900,733	—	1,900,733

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Security	Dividends or Interest (2)	Fair Value at December 31, 2016	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value at September 30, 2017
Iracore Investments Holdings, Inc., Class A Common Stock	—	—	—	(1,143,868)	4,177,710	—	3,033,842
KAGY Holding Company, Inc., Series A Preferred Stock	—	4,607,246	—	6,414,295	—	11,021,541	
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	1,614,803	21,276,653	—	(771,618)	267,919	(4,072,441)	16,700,513
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	291,522	4,000,000	—	—	2,072,441	—	6,072,441
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	1,395,350	—	(1,395,340)	233	—	243
RM Holdco, LLC, Equity Participation	—	—	—	—	—	—	—
RM Holdco, LLC, Membership Units	94,458	—	—	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	259,194	4,871,284	—	—	20,813	—	4,892,097
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%,	644,597	3,154,770	—	(3,799,525)	644,755	—	—

due 3/30/18							
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	203,774	3,049,555	—	(576,038)	203,055	—	2,676,572
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	129,857	1,943,371	—	(367,088)	129,400	—	1,705,683
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	367,755	4,251,368	—	—	2,238,735	—	6,490,103
United N659UA-767, LLC (N659UA)	119,856	3,191,938	—	62,801	—	(271,381)	2,983,358
United N661UA-767, LLC (N661UA)	103,515	3,266,101	—	78,880	—	(287,722)	3,057,259
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	—	1,530,000	—	(1,529,500)	—	—	500

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

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	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions[3]	Dispositions[4]	Fair Value at December 31, 2016
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 225,000	$ —	$ —	$ 6,593,897	$ —	$ 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	594,088	4,869,577	—	—	133	—	4,869,710

Secured Term Loan, 12%, due 9/15/16							
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	—	(605,002)	1,362,995	—	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	417,445	(472,579)	—	(417,445)	210,035
Essex Ocean II, LLC, Membership Units	—	200,686	—	54,390	—	(96,031)	159,045
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25%	1,316,646	14,256,233	—	371,555	1,493	(149,279)	14,480,002

LIBOR Floor, due 12/11/18							
KAGY Holding Company, Inc., Series A Preferred Stock	—	6,118,515	—	(1,511,269)	—	—	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	—	—	(3,723,347)	—	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	—	(5,665)	—	(313,315)	—
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	11,822	570,303	—	(12,619)	—	(557,684)	—

N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	2,322	115,617	—	(1,421)	—	(114,196)	—
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	5,109	237,494	—	(4,275)	—	(233,219)	—

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Security	Dividends or Interest(2)	Fair Value at December 31, 2015	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2016
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	7,829	342,734	—	(6,180)	—	(336,554)	—
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,463	369,162	—	(6,930)	—	(362,232)	—
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	8,365	365,197	—	(6,817)	—	(358,380)	—
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,537	372,392	—	(6,991)	—	(365,401)	—
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	8,708	379,522	—	(7,161)	—	(372,361)	—
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	9,289	403,869	—	(7,700)	—	(396,169)	—
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	9,028	393,115	—	(7,448)	—	(385,667)	—
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	4,636	218,321	—	(3,635)	—	(214,686)	—
N913DL Equipment Trust Beneficial Interests	491,371	107,501	211,982	(23,336)	—	(296,147)	—
N918DL Equipment Trust Beneficial Interests	8,483	127,662	89,515	(41,618)	—	(175,559)	—

N954DL Equipment Trust Beneficial Interests	8,743	77,850	(17,833)	17,495	—	(77,512)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	(40,649)	(16,055)	—	(51,396)	—
N956DL Equipment Trust Beneficial Interests	8,362	104,478	(36,257)	(12,484)	—	(55,737)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	(43,849)	(12,913)	—	(48,567)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	(51,380)	(13,363)	—	(41,460)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	(76,964)	(11,434)	—	(17,539)	—
N961DL Equipment Trust Beneficial Interests	7,976	101,487	(65,354)	(7,469)	—	(28,664)	—
N976DL Equipment Trust Beneficial Interests	8,635	100,793	110,531	(12,825)	—	(198,499)	—
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	—	281,896	870,233	—	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	—	(2,135,114)	798,891	—	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	—	(3,685)	164,020	—	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	—	(284,572)	—	107,911	3,191,938
United N661UA-767, LLC (N661UA)	549,091	3,294,024	—	(341,679)	—	313,756	3,266,101

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Security	Dividends or Interest[(2)]	Fair Value at December 31, 2015	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions[(3)]	Dispositions[(4)]	Fair Value at December 31, 2016
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 Partnership of 5% or more of the issuers' voting securities.
(2) Also includes fee and lease income as applicable.
(3) Acquisitions include new purchases, PIK income and amortization of original issue and market discounts.
(4) Dispositions include decreases in the cost basis from sales, paydowns, mortgage amortizations and aircraft depreciation.

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Special Value Continuation Partners, LP
(A Delaware Limited Partnership)

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

September 30, 2017

Investment	**Acquisition Date**
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC (144A), Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
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
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/17
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
GACP I, LP, Membership Units	10/1/15
GlassPoint Solar, Inc., Warrants to Purchase Series C-1 Preferred Stock	2/7/17
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Convertible Note, 10% PIK, due 6/30/19	7/12/17
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Common Stock	8/22/17
InMobi, Inc., Warrants to Purchase Series E Preferred Stock	9/18/15
Lions Holdings, Inc., (BPA), Series A Warrants to Purchase Common Stock	7/14/17
Lions Holdings, Inc., (BPA), Series B Warrants to Purchase Common Stock	7/14/17
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class B Warrants to Purchase Class A Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/17
Utilidata, Inc., Warrants to Purchase Stock	12/22/15

V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12

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Special Value Continuation Partners, LP
A Delaware Limited Partnership)

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	9/16/15
Waterfall International, Inc., Warrants to Purchase Stock	9/16/15

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PROSPECTUS

$600,000,000

Common Stock
Preferred Stock
Debt Securities
Subscription Rights
Warrants

We are a holding company (the Holding Company) with no direct operations of our own, and currently our only business and sole asset is our ownership of all of the common limited partner interests in Special Value Continuation Partners, LP (the Operating Company), which represents approximately 100% of the common equity and 100% of the combined common equity and general partner interests in the Operating Company as of December 31, 2016. We and the Operating Company are externally managed, closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the Investment Company Act of 1940 (the 1940 Act). Our and the Operating Company s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. Both we and the Operating Company seek to achieve this investment objective primarily through investments in debt securities of middle-market companies as well as small businesses. Our primary investment focus is investing in and originating leveraged loans to performing middle-market companies as well as small businesses.

We may offer, from time to time, in one or more offerings or series, together or separately, up to $600,000,000 of our common stock, preferred stock, debt securities, subscription rights to purchase our securities or warrants representing rights to purchase our securities (collectively, the Securities) to provide us with additional capital. Securities may be offered at prices and on terms to be disclosed in one or more supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest in our Securities.

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

This prospectus contains important information you should know before investing in our Securities. Please read it carefully before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission. A Statement of Additional Information, dated May 3, 2017, containing additional information about the Holding Company and the Operating Company has been filed with the Securities and Exchange Commission (the SEC) and is incorporated by reference in its entirety into this prospectus. We maintain a website at http://www.tcpcapital.com and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through this website. You may also obtain free copies of our annual and quarterly reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page 145 of this prospectus and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. The SEC maintains a website at http://www.sec.gov where such information is available without charge upon request. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

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

Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in the offerings. Investing in our securities involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any securities, you should read the discussion of the material risks of investing in our securities in Risks beginning on page 19 of this prospectus.

This prospectus may not be used to consummate sales of shares of our securities unless accompanied by a prospectus supplement.

The date of this prospectus is May 3, 2017.

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Our Securities may be offered directly to one or more purchasers, or through agents designated from time to time by us, or to or through underwriters or dealers. The prospectus supplement relating to the offering will identify any agents, underwriters or dealers involved in the sale of our Securities, and will disclose any applicable purchase price, fee, commission or discount arrangement between us and our agents, underwriters or dealers, or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell any of our Securities through agents, underwriters or dealers without delivery of the prospectus and a prospectus supplement describing the method and terms of the offering of such Securities. Our common stock is traded on The NASDAQ Global Select Market under the symbol TCPC. As of April 27, 2017, the last reported sales price for our common stock was $17.17. Our net asset value per share of our common stock at December 31, 2016 was $14.91.

Tennenbaum Capital Partners, LLC (the Advisor) serves as our and the Operating Company s investment advisor. Our Advisor is a leading investment manager and specialty lender to middle-market companies that had in excess of $7.1 billion in capital commitments from investors (committed capital) under management as of December 31, 2016, approximately 23.5% of which consists of our committed capital. Series H of SVOF/MM, LLC, an affiliate of our Advisor, is the Operating Company s general partner and provides the administrative services necessary for us to operate.

We may offer shares of common stock, subscription rights, warrants, options or rights to acquire shares of common stock, at a discount to net asset value per share in certain circumstances. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing our net asset value per share and may reduce our market price per share. At our 2016 annual meeting, held on May 19, 2016, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering, our stockholders approved our ability to sell or otherwise issue shares of our common stock at any level of discount from net asset value per share for a twelve month period expiring on the anniversary of the date of stockholder approval. We are seeking stockholder approval at our 2017 annual meeting to continue for an additional year our ability to issue shares of common stock below net asset value, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering.

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Statistical and market data used in this prospectus has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus, for which the safe harbor provided in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act is not available.

You should rely only on the information contained in this prospectus, the Statement of Additional Information, or SAI, incorporated by reference in its entirety in this prospectus, and the accompanying prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and no underwriters are, making offers to sell these securities in any jurisdiction where such offer or sale is not permitted. You should assume that the information in this prospectus is accurate only as of the date on the front of this prospectus, the information in the SAI is accurate only as of its respective date and the information in the accompanying prospectus supplement is accurate only as of the date on the front of the accompanying prospectus supplement. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the SEC, using the shelf registration process. Under the shelf registration process, we may offer, from time to time on a delayed basis over a three year period, up to $600.0 million in shares of our common stock, shares of our preferred stock, debt securities, subscription rights to purchase shares of our securities or warrants representing rights to purchase our securities. The Securities may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the Securities that we may offer. Each time we use this prospectus to offer Securities, we will provide an accompanying prospectus supplement that will contain specific information about the terms of that offering. This prospectus and any accompanying prospectus supplement will together constitute the prospectus for an offering of our Securities. The accompanying prospectus supplement may also add, update or change information contained in this prospectus. Please carefully read this prospectus and any accompanying prospectus supplement together with any exhibits and the additional information described under the heading Additional Information and the section under the heading Risks before you make an investment decision. You should rely only on the information contained, collectively, in this prospectus and any accompanying prospectus supplement.

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. This summary is not complete and may not contain all of the information that you may want to consider before investing in our Securities. You should read the entire prospectus, including Risks, and the Statement of Additional Information, dated May 3, 2017 (the SAI).

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

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

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

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

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

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

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

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

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

The Company

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended, or the 1940 Act. See — Company History and BDC Conversion. We completed our initial public offering on April 10, 2012. Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between $100 million and $1.5 billion. While we primarily focus on privately negotiated investments in debt of middle-market companies, we make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns. See — Company History and BDC Conversion.

As described in more detail below under — Company History and BDC Conversion, we have no employees of our own and currently our only business and sole asset is the ownership of all of the common limited partner interests of the Operating Company. Our investment activities are externally managed by our Advisor, a leading investment manager with in excess of $7.1 billion in capital commitments from investors (committed capital) under management, approximately 23.5% of which consists of the Holding Company s committed capital under management as of December 31, 2016, and a primary focus on providing financing to middle-market companies as well as small businesses. Additionally, the Holding Company expects that it will continue to seek to qualify as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code, or the Code.

On April 22, 2014, TCPC SBIC, a wholly-owned subsidiary of the Operating Company, received a Small Business Investment Company (SBIC) license from the Small Business Administration (SBA). Pursuant to an exemptive order under the 1940 Act, we have been granted exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. For example, as of December 31, 2016, we had approximately $1,362.6 million in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us, which would permit us to borrow up to approximately $1,362.6 million, notwithstanding other limitations on our borrowings pursuant to our Leverage Program.

The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting us to borrow up to $150 million more than we would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, will be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we can have more debt outstanding than assets to cover such debt. For example, we will be able to borrow up to $150 million more than the approximately $1,362.6 million permitted under the 200% asset coverage ratio limit as of December 31, 2016. For additional information on SBA regulations that affect our access to SBA-guaranteed debentures, see Risk Factors — Risks Relating to Our Business — TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

The SBIC license allows TCPC SBIC to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, will have a superior claim to TCPC SBIC s assets over our stockholders in the event we liquidate TCPC SBIC or the SBA exercises its remedies under the SBA-guaranteed debentures issued by TCPC SBIC upon an event of default.

Investment Portfolio

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. See — Investment Strategy for more information.

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The following charts summarize our portfolio mix by industry and type based on the fair value of our investments as of December 31, 2016.

Tennenbaum Capital Partners, LLC

Our investment activities are managed by our Advisor. Our Advisor is a leading investment manager (including specialty lending to middle-market companies). Our Advisor is a Delaware limited liability company and is registered as an investment advisor under the Investment Advisers Act of 1940. As of December 31, 2016, our Advisor had in excess of $7.1 billion in committed capital under management, approximately 23.5% of which consists of the Company s committed capital, and a team of approximately 80 people including investment professionals and other personnel that focus on operations, finance, legal, and compliance, accounting and reporting, investor relations, information technology, and administration. Our Advisor was founded in 1999 by Mark K. Holdsworth, Howard M. Levkowitz and Michael E. Tennenbaum, and its predecessor entity, formed by the same individuals, commenced operations in 1996. Mark K. Holdsworth and Howard M. Levkowitz along with Michael E. Leitner, Philip M. Tseng, Rajneesh Vig, and Lee Landrum constitute our Advisor s partners (the Advisor Partners). The Advisor Partners have significant industry experience, including experience investing in middle-market companies. Together, the Advisor Partners have invested approximately $18.2 billion in 501 companies since our Advisor s inception, through multiple business and credit cycles, across all segments of the capital structure and through a broad set of credit-oriented strategies including leveraged loan origination, secondary investments of discounted debt securities, and distressed and control opportunities. We believe the Advisor Partners investment perspectives, complementary skills, and collective investment experience provide our Advisor with a strategic and competitive advantage in middle-market investing.

As our investment advisor, our Advisor is responsible for sourcing potential investments, conducting research, analyzing investment opportunities and structuring our investments and monitoring our portfolio companies on an ongoing basis. We believe that our Advisor has a proven long-term track record of positive performance, notwithstanding some periods during which losses were incurred, of sourcing deals, originating loans and successfully investing in middle-market companies and that the relationships of its investment professionals are integral to our Advisor s success. Our Advisor s investment professionals have long-term working relationships with key sources of investment opportunities and industry expertise, including investment bankers, financial advisors, attorneys, private equity sponsors, other senior lenders, high-yield bond specialists, research analysts, accountants, and senior management teams. Additionally, our Advisor s structure includes both a board of advisors and a group of senior executive advisors, a team comprised of approximately 18 current and former executives from a variety of industries, which extends the reach of our Advisor s relationships through a group of seasoned industry leaders and that can enhance our deal sourcing and due diligence activities.

We also benefit from the existing infrastructure and administrative capabilities of an established investment manager. The General Partner, an affiliate of our Advisor, serves as our Administrator and provides us with office space, equipment and office services. The tasks of our Administrator include overseeing our financial records, preparing reports to our stockholders and reports filed with the Securities and Exchange Commission (the SEC) and generally monitoring the payment of our expenses and the performance of administrative and professional services rendered to us by others.

Since the beginning of 2011, our Advisor has executed approximately $6.3 billion in direct origination leveraged loans primarily to middle-market companies, of which approximately $2.3 billion was for our account. There can be no assurance that similar deal flow or terms will be available in the future for loans in which we may invest.

Investment Strategy

To achieve our investment objectives, we intend to focus on a subset of the broader investment strategies historically pursued by our Advisor. Our primary investment focus is the ongoing origination of and investments in leveraged loans of performing middle-market companies, building on our Advisor s established track record of origination and participation in the original syndication of approximately $10.1 billion of leveraged loans to 286 companies since 1999, of which we invested over $2.9 billion in 171 companies. For the purposes of this prospectus, the term leveraged loans refers to senior debt investments that rank ahead of subordinated debt and that generally have the benefit of security interests in the assets of the borrower.

Our investments generally range from $10 million to $50 million per company, the size of which may grow over time in proportion with our capital base. We expect to generate current returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. We often receive equity interests such as preferred or common stock and warrants or options in connection with our debt investments. From time to time we may also use other investment strategies, which are not our primary focus, to attempt to enhance the overall return of our portfolio. These investment strategies may include, but are not limited to, the purchase of discounted debt, opportunistic investments, and financial instruments to hedge currency or interest rate risk associated with our portfolio.

Our typical investments are in performing middle-market companies. We believe that middle-market companies are generally less able to secure financing than larger companies and thus offer better return opportunities for those able to conduct the necessary diligence to appropriately evaluate these companies. We focus primarily on U.S. companies where we believe our Advisor s perspective, complementary skills and investment experience provides us with a competitive advantage and in industries where our Advisor sees an attractive risk reward profile due to macroeconomic trends and our Advisor s existing industry expertise.

Our Competitive Advantages

We believe that we possess the following competitive advantages over other capital providers to middle-market companies:

Focus on minimizing the risk of loss and achieving attractive risk-adjusted returns. We primarily structure investments to attempt to achieve high cash yields, cash origination fees, conservative leverage, and strong contractual protections that reduce the risk of principal loss. Contractual protections may include default premiums, information rights, board governance rights, and affirmative, negative and financial covenants, such as lien protection and prohibitions against change of control. While we do not expect to undertake a material focus on distressed investments, we believe that our Advisor s experience in distressed investing from managing other funds helps us negotiate more favorable terms and provides greater opportunity to achieve principal protection. See — Investment Strategy.

Diverse in-house skills and experience of our Advisor. Our Advisor s principals and professionals have diverse and complementary backgrounds, including prior experience at private investment funds, investment banks, other financial services firms, and managing companies. We believe that the diverse professional experience of our Advisor s principals and professionals gives us an advantage in sourcing, evaluating, structuring, negotiating, closing, and profitably exiting investments. Our Advisor s advantages include:

- Significant investment expertise in over 30 different industry sectors;
- Track record of leveraged loan originations or participations in original syndications of approximately $10.1 billion to 286 companies since 1999, of which we invested over $2.9 billion in 171 companies;

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- Extensive workout and restructuring capabilities honed in multiple in- and out-of-court transactions which allows us to maximize our investment returns and minimize the risk of loss;
- In-house legal expertise with significant experience protecting creditor rights;
- Complementary bottom-up and top-down (macro economic) expertise; and
- Expertise in analyzing highly complex companies and investments.

Consistent, proactive and rigorous investment and monitoring processes. We believe that our Advisor employs a proven investment process that integrates intensive bottom-up company-level research and analysis with a proactive top-down view of macroeconomic and industry risks and opportunities. The heart of the process is a thorough analysis of the underlying issuer s business, end markets, competitors, suppliers, revenues, costs, financial statements, and the terms of the issuer s existing obligations, including contingent liabilities (if any). Our Advisor s professionals supplement in-house expertise with industry experts, including our Advisor s Board of Advisors and Senior Executive Advisors, as well as other CEO/CFO-level executives, with direct management experience in the industries under consideration. These company level analyses are undertaken in the context of and supplemented by our Advisor s views on and understanding of industry trends and broader economic conditions. These views are formulated and refined through our Advisor s systematic quarterly macroeconomic reviews and quarterly industry reviews, where long-term and immediate macroeconomic trends and their impact on industry risk/reward characteristics are determined. These views flow through to our Advisor s proactive deployment of research and capital resources in the investment process. Quarterly portfolio reviews also help to inform our Advisor s macroeconomic and industry views as well as to inform reporting of deal teams frequent monitoring of portfolio company progress, risk assessment, and refinement of exit plans.

Focus on established middle-market companies. We generally invest in companies with established market positions, seasoned management teams, proven and differentiated products and services and strong regional or national operations. We believe that these companies possess better risk-adjusted return profiles than newer companies that are building management or in early stages of building a revenue base. As a specialty middle-market lender, through our Advisor we have proven experience structuring financing for middle-market companies and meeting their specialized needs. We believe that there are fewer experienced finance companies focused on transactions involving small and middle-market companies than larger companies, allowing us to negotiate favorable investment terms, including higher yields, more significant covenant protection, and greater equity grants than typical of transactions involving larger companies. Additionally, we believe that middle-market companies offer significant risk-adjusted return advantages over larger companies as they are generally less able to secure financing compared to larger companies and, we believe, are more likely as borrowers to be subject to upfront fees, prepayment premiums and higher interest rates.

Debt platform with multiple deal sourcing channels. The employees of our Advisor have developed extensive networks among investment bankers, financial advisors, attorneys, private equity sponsors, other senior lenders, high-yield bond specialists, research analysts, accountants, and senior management teams. These networks are a valuable source of directly originated deals and are further supplemented by the networks and experiences of our Advisor s Board of Advisors and Senior Executive Advisors. Additionally, our Advisor s track record as a provider of middle-market financing means that it is often the first or early call on new deal opportunities. Since inception, our Advisor has originated or participated in the original syndication of approximately $10.1 billion of newly issued loans to 286 companies since 1999, of which we invested over $2.9 billion in 171 companies. Our Advisor is well known as a lender to middle-market companies in a variety of contexts including stressed, distressed, and complex and special situations. Our Advisor s in-depth industry knowledge and ability to diligence complex situations thoroughly and in a timely fashion helps to attract deal opportunities from multiple channels.

Attractively priced leverage program. We believe that the Leverage Program (defined below), combined with capital from recent monetizations, provides us with a substantial amount of capital for deployment into new investment opportunities on relatively favorable terms. 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 due 2019 (the “2019 Convertible Notes”), $140.0 million in

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convertible senior unsecured notes issued by the Holding Company due 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 limited partner interests in the Operating Company (the Preferred Interests) on September 3, 2015, the Leverage Program also included amounts outstanding under a preferred equity facility issued by the Operating Company. The SVCP Facility matures on July 31, 2018 and 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) through July 31, 2014. 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 TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at the request of TCPC Funding, and contains an accordion feature which allows for expansion of the facility up to $400.0 million subject to consent from the lender and other customary conditions. 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 33.0% of the total facility, plus an administrative fee of 0.25% per annum. 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, TCPC Funding Facility and the SBA Program. 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. 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, TCPC Funding Facility and the SBA Program. 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. For the purpose of the SVCP Facility and TCPC Funding Facility, LIBOR means the one-month U.S. dollar deposits which appears on the Telerate Page 3750 as of 11:00 a.m. (London time) on the date the rate is to be determined or as otherwise may be determined pursuant to the SVCP Facility and TCPC Funding Facility if such rate does not appear on the Telerate Page 3750. The weighted-average financing rate on the Leverage Program at December 31, 2016 was 3.95%.

Market opportunity

We believe that our Advisor has a consistent, non-cyclical track record of finding profitable opportunities to lend its managed assets to middle-market companies under most market conditions. However, there can be no assurances that our Advisor will be able to source profitable opportunities of this type for us, and we have a limited record operating as a BDC. We believe that the current environment for direct lending to middle-market companies is especially attractive for several reasons that include:

Reduced lending to middle-market companies by commercial banks. Recent regulatory changes, including the Dodd-Frank Financial Reform Act, or the Dodd-Frank Act, and the introduction of new international capital and liquidity requirements under the Basel III Accords, or Basel III, and the continued ownership of legacy non-performing assets have significantly curtailed banks lending capacity. In response, we believe that many commercial lenders have de-emphasized their service and product offerings to middle-market companies in favor of lending, managing capital markets transactions and providing other non-credit services to their larger customers. We expect bank lending to middle-market companies to continue to be constrained for several years as Basel III rules phase in and rules and regulations are promulgated and interpreted under the Dodd-Frank Act.

Reduced credit supply to middle-market companies from non-bank lenders. We believe credit to middle-market companies from non-bank lenders will also be constrained as many of those lenders have either gone out of business, exited the market, or are winding down. Numerous hedge funds previously active in leveraged loans disappeared or contracted during the recent financial market crises, while others exited the lending market due to asset-liability mismatches. Other non-bank lenders exited lending due to balance sheet pressures. Furthermore, new collateralized loan obligation, or CLO, formation has been very limited in recent years and existing CLOs authority to reinvest falls off sharply in coming years. Along with the constraints in bank lending, this situation provides a promising environment in which to originate loans to middle-market companies. We cannot, however, provide any assurance as to the length of time this tight credit supply will persist.

Middle-market companies are increasingly seeking lenders with access to permanent capital for debt and equity capital. We believe that many middle-market companies prefer to borrow from capital providers like us, rather than execute high-yield bond or equity transactions in the public markets that may necessitate increased financial and regulatory compliance and reporting obligations. Further, we believe many middle-market companies are inclined to seek capital from a small number of providers with access to permanent capital that can satisfy their specific needs and can serve as value-added, long-term financial partners with an understanding of the companies growth needs.

Attractive Pricing and Conservative Deal Structures. We believe that reduced access to, and availability of, debt capital provides attractive loan pricing for middle-market lenders. Terms often include meaningful upfront fees, prepayment protections and, in some cases, warrants, all of which should enhance profitability to lenders.

Company History and BDC Conversion

We were organized on July 17, 2006, commenced operations on July 31, 2006 and registered as a non-diversified closed-end management investment company under the 1940 Act. We were formed as a limited liability company under the laws of the State of Delaware, converted to a Delaware corporation on April 2, 2012 and elected BDC status on April 2, 2012.

The Operating Company was formed as a limited partnership under the laws of the State of Delaware. On July 31, 2006, the Operating Company registered as a non-diversified closed-end management investment company under the 1940 Act. The Operating Company issued common limited partner interests to the Holding Company and also issued preferred limited partner interests to the lenders under the Leverage Program. The Operating Company elected to convert from a closed-end fund to a BDC on April 2, 2012. The Holding Company currently conducts its investment operations through the Operating Company. In this regard, the Holding Company will invest substantially all of the net proceeds from the offerings in the common limited partner interests of the Operating Company and the Operating Company, in turn, will invest the proceeds in portfolio companies. See Use of Proceeds. Following termination of the SVCP Facility and TCPC Funding Facility, it is possible that the Operating Company will elect to terminate its existence, in which case it expects to transfer its remaining assets to the Holding Company, and the Holding Company expects to continue operations as a stand-alone BDC and make investments directly, rather than through the Operating Company, in accordance with the investment objective and policies described herein. The SVCP Facility is scheduled to mature on July 31, 2018, subject to extension at the request of the Operating Company, and the TCPC Funding Facility is scheduled to mature on April 26, 2021, subject to extension at the request of TCPC Funding. TCPC Funding is a wholly-owned subsidiary of the Operating Company. The Operating Company will transfer certain loans it has originated or acquired or will originate or acquire from time to time to TCPC Funding pursuant to a Sale and Contribution Agreement and various supporting documentation. TCPC SBIC is a wholly-owned subsidiary of the Operating Company.

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An organizational structure diagram showing our organizational structure is set forth below:

The Holding Company s management consists of our Advisor and its board of directors. The Operating Company s management consists of our Advisor, the General Partner and its board of directors. The board of directors of the Holding Company and the Operating Company are comprised of the same individuals, the majority of whom are independent of our Advisor and the General Partner. Our Advisor directs and executes the day-to-day operations of the Holding Company, and our Advisor directs and executes the day-to-day investment operations and the General Partner directs and executes the day-to-day operational activities of the Operating Company, in each case subject to oversight from the respective boards of directors, which set the broad policies of the Holding Company and perform certain functions required by the 1940 Act for the Operating Company. The board of directors of the Operating Company has delegated investment management of the Operating Company s assets to our Advisor, subject to oversight by the board of directors. The managing member of the General Partner is our Advisor, which serves as the investment advisor of each of the Holding Company, the Operating Company and TCPC Funding. All of the equity interests in the General Partner are owned directly by our Advisor. The Holding Company currently owns all of the common interests in the Operating Company and expects to have the ability to maintain that status. While the Operating Company is permitted to issue securities to persons other than the Holding Company, under the Operating Company s limited partnership agreement, board approval is required to issue equity interests of the Operating Company, and the Holding Company directors also serve as the directors of the Operating Company so as to be able to control any issuances by the Operating Company. TCPC Funding is a wholly-owned subsidiary of the Operating Company. TCPC SBIC is a wholly-owned subsidiary of the Operating Company.

Operating and Regulatory Tax Structure

The Holding Company elected to be treated for U.S. federal income tax purposes as a RIC under the Code. As a RIC, the Holding Company generally does not have to pay corporate-level federal income taxes on any net ordinary income or capital gain that we distribute to our stockholders as dividends if we meet certain source-of-income, distribution and asset diversification requirements. Neither the Operating Company nor TCPC Funding is a RIC, nor will either of them seek RIC status and instead each is intended to be treated as a partnership for tax purposes. The Holding Company and the Operating Company have elected to be treated as BDCs under the 1940 Act. As a BDC we are required to invest at least 70% of our total assets primarily in

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securities of private and certain U.S. public companies (other than investment companies and certain financial institutions), cash, cash equivalents, U.S. Government securities, and other high-quality debt investments that mature in one year or less and to comply with other regulatory requirements, including limitations on our use of debt. Because the Holding Company and the Operating Company are each BDCs, their assets, liabilities and results of operations will be consolidated for purposes of this 70% requirement.

Conflicts of Interests

Our Advisor and the General Partner currently do, and in the future may, manage funds and accounts other than the Company, which we refer to as the Other Advisor Accounts, with similar investment objectives as the Company. The investment policies, advisor compensation arrangements and other circumstances of the Company may vary from those of Other Advisor Accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among the Company and Other Advisor Accounts. Investments that are suitable for the Company may not be suitable for the Other Advisor Accounts and investments that are suitable for the Other Advisor Accounts may not be suitable for the Company. 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 Advisor Accounts desire to sell it or we may not have additional capital to invest at a time Other Advisor Accounts do. Our Advisor and its affiliates intend to allocate investment opportunities to us and Other Advisor Accounts in a manner that they believe in their judgment and based upon their fiduciary duties to be appropriate considering a variety of factors such as the investment objectives, size of transaction, investable assets, alternative investments potentially available, prior allocations, liquidity, maturity, expected holding period, diversification, lender covenants and other limitations of ours and the Other Advisor Accounts. To the extent that investment opportunities are suitable for the Company and one or more Other Advisor Accounts, our Advisor and the General Partner will allocate investment opportunities pro rata among the Company and Other Advisor Accounts based on the amount of funds each then has available for such investment taking into account these factors. Investment opportunities in certain privately placed securities will be subject to allocation pursuant to the terms of a co-investment exemptive order under the 1940 Act applicable to funds and accounts managed by our Advisor and its affiliates.

There may be situations in which one or more funds or accounts managed by our Advisor or its affiliates might invest in different securities issued by the same company. It is possible that if the company s financial performance and condition deteriorates such that one or both investments are or could be impaired, our Advisor might face a conflict of interest given the difference in seniority of the respective investments. In such situations, our Advisor would review the conflict on a case-by-case basis and implement procedures consistent with its fiduciary duty to enable it to act fairly to each of its clients in the circumstances. Any steps by our Advisor will take into consideration the interests of each of the affected clients, the circumstances giving rise to the conflict, the procedural efficacy of various methods of addressing the conflict and applicable legal requirements.

Company Information

Our administrative and executive offices are located at 2951 28th Street, Suite 1000, Santa Monica, CA 90405, and our telephone number is (310) 566-1094. We maintain a website at http://www.tcpcapital.com. Information contained on this website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

Risks

Investing in the Company and the Securities offered by this prospectus involves a high degree of risk. These risks, among others, include:

- capital markets and global economies have recently experienced periods of disruption and instability and may experience such periods in the future, each of which could have a negative impact on our business and operations and the value of our Securities;
- the risk of credit losses on our investments;
- the risk of loss associated with leverage, illiquidity and valuation uncertainties in our investments, lower amounts of income per share while we are investing the proceeds from the offerings;
- the possible lack of appropriate investments;

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- the risk of an inability to renew, extend or replace the Leverage Program, the possibility of accelerated repayment under the SVCP Facility and TCPC Funding Facility, the limited experience of our Advisor in managing a BDC and our dependence on such investment advisor;
- the credits under the SVCP Facility and TCPC Funding Facility have a first claim on all of the Company's assets included in collateral for the respective facilities;
- our business model depends upon the development and maintenance of strong referral relationships with other asset managers and investment banking firms;
- the risky nature of the securities in which we invest;
- our potential lack of control over our portfolio companies, our limited ability to invest in public or foreign companies and the potential uncertainty regarding the value of our portfolio investments;
- the potential incentives to our Advisor to invest more speculatively than it would if it did not have an opportunity to earn incentive compensation;
- our limitations on raising additional capital;
- we are exposed to risks associated with changes in interest rates;
- failure to continue to qualify as a BDC or the risk of loss of tax status as a RIC;
- the risk of volatility in our stock price;
- the potential decision to issue preferred stock to fund investments;
- the risks associated with investments in the software publishing sector, including intellectual property infringement issues and rapid technological changes;
- risks relating to cyber-security; and
- the anti-takeover effect of certain provisions in our charter and in the Amended and Restated Limited Partnership Agreement of the Operating Company, or the Amended and Restated Limited Partnership Agreement.

See Risks beginning on page 19 of this prospectus for a more detailed discussion of these and other material risks you should carefully consider before deciding to invest in our Securities.

Presentation of Historical Financial Information

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

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THE OFFERING

We may offer, from time to time, in one or more offerings or series, together or separately, up to $600.0 million of our Securities, which we expect to use to repay amounts outstanding under the SVCP Facility and TCPC Funding Facility, if any, (which will increase the funds under the SVCP Facility and TCPC Funding Facility available to us to make additional investments in portfolio companies) and to use the remainder to make investments in portfolio companies in accordance with our investment objective and for other general corporate purposes, including payment of operating expenses.

Our Securities may be offered directly to one or more purchasers, through agents designated from time to time by us, or to or through underwriters or dealers. The prospectus supplement relating to a particular offering will disclose the terms of that offering, including the name or names of any agents, underwriters or dealers involved in the sale of our Securities, the purchase price, and any fee, commission or discount arrangement between us and our agents, underwriters or dealers, or the basis upon which such amount may be calculated. See Plan of Distribution. We may not sell our Securities through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of such Securities.

Set forth below is additional information regarding the offering of our Securities:

The Nasdaq Global Select Market Symbol
TCPC

Use of Proceeds

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds to reduce our borrowings outstanding under the SVCP Facility and TCPC Funding Facility, if any, and to make investments in portfolio companies in accordance with our investment objective and for other general corporate purposes, including payment of operating expenses. Pending investment, we may invest the remaining net proceeds of the offerings primarily in cash, cash equivalents, U.S. Government securities and other high-quality debt investments that mature in one year or less. These securities may have lower yields than our other investments and accordingly may result in lower distributions, if any, during such period. See Use of Proceeds.

Investment Management Arrangements

The Holding Company and the Operating Company have entered into separate but substantially identical investment management agreements with our Advisor, under which our Advisor, subject to the overall supervision of our respective boards of directors, manages the day-to-day operations of and provides investment advisory services to the Holding Company and the Operating Company. For providing these services, our Advisor receives a base management fee calculated at an annual rate of 1.5% of our total assets (excluding cash and cash equivalents) on a consolidated basis, payable quarterly in arrears. For purposes of calculating the base management fee, total assets is determined without deduction for any borrowings or liabilities.

The investment management agreements also provide for performance based returns to our Advisor or the General Partner (referred to herein as incentive compensation). Under the investment management agreements and the Amended and Restated Limited Partnership Agreement, no incentive compensation was incurred until after January 1, 2013.

The incentive compensation is calculated as 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 limitation of 8% of contributed common equity. The incentive compensation initially is payable by making an equity allocation to the

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General Partner under the Operating Company s Amended and Restated Limited Partnership Agreement. If the Operating Company is terminated or for any other reason incentive compensation is not distributed by the Operating Company, it would be paid pursuant to the investment management agreement between the Holding Company and our Advisor.

The incentive compensation has two components, ordinary income and capital gains. Each of the two components of incentive compensation is separately subject to a total return limitation. Thus, we are not obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation if the cumulative total return does not exceed an 8% annual return on daily weighted average contributed common equity. If such cumulative total return does exceed 8%, we are not obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation to the extent such amount would exceed 20% of the cumulative total return of the Company that exceeds a 10% annual return on daily weighted average contributed common equity, plus all of the cumulative total return that exceeds an 8% annual return on daily weighted average contributed common equity but is not more than a 10% annual return on daily weighted average contributed common equity, less cumulative incentive compensation previously paid or distributed (whether on ordinary income or capital gains).

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

Subject to the above limitation, the capital gains component of the incentive compensation is the amount, if positive, equal to 20% of the cumulative realized capital gains (computed net of cumulative realized losses and cumulative unrealized capital depreciation), less cumulative capital gains incentive compensation previously paid or distributed.

For purposes of the foregoing computations and the total return limitation, the relevant terms are defined in detail in the section entitled Management of the Company — Investment Management Agreements.

The base management fee is paid by the Operating Company to our Advisor and the incentive compensation, if any, is distributed by the Operating Company to the General Partner. The Holding Company, therefore, indirectly bears these amounts, which are reflected in our consolidated financial statements. If the Operating Company is terminated or for any other reason incentive compensation is not paid by the Operating Company, such compensation would be paid to our Advisor directly by the Holding Company pursuant to its investment management agreement with our Advisor to ensure that the appropriate aggregate amount of incentive compensation is paid. On a consolidated basis, the aggregate compensation is limited to 1.5% of total assets and 20% of the relevant components of income and realized capital gains. See Management of the Company — Investment Management Agreements for a more detailed description of the investment management arrangements.

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Distributions

We intend to make quarterly distributions to our stockholders. The timing and amount of our quarterly distributions, if any, is determined by our board of directors. Any distributions to our stockholders are declared out of assets legally available for distribution. In addition, because we will invest substantially all of our assets in the Operating Company, we are only able to pay distributions on our common stock from distributions received from the Operating Company. The Operating Company intends to make distributions that are sufficient to enable us to pay quarterly distributions to our stockholders and maintain our status as a regulated investment company, or a RIC. While it is intended that the distributions made by the Operating Company are sufficient to enable us to pay quarterly distributions to our stockholders and maintain our status as a RIC, there can be no assurances that the distributions from the Operating Company are sufficient to pay distributions to our stockholders in the future.

Taxation

The Holding Company currently is a RIC for U.S. federal income tax purposes and intends to continue to qualify each year as a RIC. In order to qualify as a RIC, the Holding Company generally must satisfy certain income, asset diversification and distribution requirements. As long as it so qualifies, the Holding Company will not be subject to U.S. federal income tax to the extent that it distributes its investment company taxable income and net capital gain on a timely basis. The Holding Company will invest substantially all of the net proceeds from the offerings in the Operating Company, which is treated as a partnership for U.S. federal income tax purposes. Consequently, any references to, and description of, the U.S. federal income tax aspects of the Holding Company s investment practices and activities, in effect, takes into account the investment practices and activities of the Operating Company. See Distributions and U.S. Federal Income Tax Matters.

Custodian

Wells Fargo Bank, National Association, or the Custodian, serves as our custodian. See Custodian.

Transfer and Dividend Paying Agent

Wells Fargo Bank, National Association, or Wells Fargo, serves as our Transfer and Dividend Paying Agent. See Transfer Agent.

Borrowings

We expect to use leverage, including through the SVCP Facility and TCPC Funding Facility, to make investments. We are exposed to the risks of leverage, which include that leverage may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts invested by us and therefore increases the risks associated with investing in our Securities. The Holding Company and the Operating Company will, on a consolidated basis, comply with the asset coverage and other requirements relating to the issuance of senior securities under the 1940 Act. Because the base investment advisory fee we pay our Advisor is calculated by reference to our total assets, our Advisor may have an incentive to increase our leverage in order to increase its fees. See Risks.

Trading at a Discount

Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. We are not generally able to issue and sell our common stock at a price below our net asset value per share unless we have stockholder approval. At our 2016 annual meeting, held on May 19, 2016, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering, our stockholders approved our ability to sell or otherwise issue shares of our common stock at any level of discount from net asset value per share for a twelve month period expiring on the anniversary of the date of stockholder approval. We are seeking stockholder approval at our 2017 annual meeting to continue for an additional year our ability to issue shares of common stock below net asset value, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering. The possibility that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. Our net asset value immediately following an offering will reflect reductions resulting from the sales load and the amount of such offering expenses paid by us. This risk may have a greater effect on investors expecting to sell their shares soon after completion of such offering, and our shares may be more appropriate for long-term investors than for investors with shorter investment horizons. We cannot predict whether our shares will trade above, at or below net asset value. See Risks.

Dividend Reinvestment Plan

We have a dividend reinvestment plan for our stockholders. This is an opt in dividend reinvestment plan. As a result, if we declare a cash 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. Stockholders who receive distributions in the form of shares of common stock will be subject to the same U.S. federal, state and local tax consequences as if they received their distributions in cash. See Dividend Reinvestment Plan.

Anti-Takeover Provisions

Our certificate of incorporation and the Amended and Restated Limited Partnership Agreement as well as certain statutory and regulatory requirements, contain certain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price for our common stock. See Description of Our Capital Stock.

Administrator

Under a separate administration agreement, the General Partner serves as our Administrator. As Administrator, the General Partner oversees our financial records, prepares reports to our stockholders and reports filed with the SEC, leases office space to us, provides us with equipment and office services and generally monitors the payment of our expenses and provides or supervises the performance of administrative and professional services used by us. We reimburse the Administrator for its costs in providing these services without paying any separate administration fee, markup or other profit in excess of fully allocated costs. Although the Administrator has waived these reimbursements through December 31, 2012, it discontinued such waiver starting at January 1, 2013. There is no predetermined limit on such expenses, however, reimbursement for any such expenses are subject to the review and approval of our board of directors.

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License Agreement

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

Available Information

We have filed with the SEC a registration statement on Form N-2 under the Securities Act of 1933, as amended, or the Securities Act, which contains additional information about us and our Securities being offered by this prospectus. We are obligated to file annual, quarterly and current reports, proxy statements and other information with the SEC. This information is available at the SEC s public reference room in Washington, D.C. and on the SEC s website at http://www.sec.gov. See Additional Information.

We maintain a website at http://www.tcpcapital.com and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information, including the SAI, which is incorporated by reference in this prospectus, available, free of charge, on or through this website. You may also obtain such information by contacting us at 2951 28th Street, Suite 1000, Santa Monica, CA 90405, or by calling us collect at (310) 566-1094. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. **The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown**. The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months. We currently do not intend to issue preferred stock in the next year. Further, the fees and expenses below are presented on a consolidated basis directly or indirectly to include expenses of the Company and the Operating Company that investors in this offering will bear.

Stockholder Transaction Expenses	
Sales Load (as a percentage of offering price)	%(1)
Offering Expenses (as a percentage of offering price)	%(2)
Dividend Reinvestment Plan Fees	— (3)
Total Stockholder Transaction Expenses (as a percentage of offering price)	%
Annual Expenses (as a Percentage of Net Assets Attributable to Common Stock)(4)	
Base Management Fees	2.59 %(5)
Incentive Compensation Payable Under the Investment Management Agreement (20% of ordinary income and capital gains)	2.40 %(6)
Interest Payments on Borrowed Funds	3.88 %(7)
Other Expenses	0.74 %(8)
Total Annual Expenses	9.61 %

(1) In the event that the Securities to which this prospectus relates are sold to or through underwriters, a corresponding prospectus supplement will disclose the estimated applicable sales load.

(2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the estimated offering expenses borne by us as a percentage of the offering price.

(3) The expenses of the dividend reinvestment plan are included in other expenses. See Dividend Reinvestment Plan.

(4) The net assets attributable to common stock used to calculate the percentages in this table is our average net assets of $756.6 million for the 12 month period ended December 31, 2016. The related prospectus supplement will disclose the offering price and the total stockholder transaction expenses as a percentage of the offering price.

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

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

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

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

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

(7) Interest Payments on Borrowed Funds represents interest and fees estimated to be accrued on the Term Loan, SVCP Revolver and TCPC Funding Facility and amortization of debt issuance costs, and assumes the SVCP Revolver and TCPC Funding Facility are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued (i) under the Term Loan is the rate in effect as of December 31, 2016, which was 3.50%, (ii) under the SVCP Revolver is the rate in effect as of December 31,

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2016, which was 3.38% and (iii) under the TCPC Funding Facility is the rate in effect as of December 31, 2016, which was 3.38%. Interest Payments on Borrowed Funds additionally represents interest and fees estimated to be accrued on our $108.0 million in aggregate principal amount of our 5.25% convertible senior unsecured notes due 2019, which bear interest at an annual rate of 5.25%, payable semi-annually, and are convertible into shares of our common stock under certain circumstances, our $140.0 million in aggregate principal amount of our 4.625% convertible senior unsecured notes due 2022, which bear interest at an annual rate of 4.625%, payable semi-annually, and are convertible into shares of our common stock under certain circumstances, and our $150.0 million of committed leverage from the SBA, which SBA debentures, once drawn, bear an interim interest rate of LIBOR plus 30 basis points, are non-recourse and may be prepaid at any time without penalty, and assumes that the committed leverage from the SBA is fully drawn. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(8) Other Expenses includes our estimated overhead expenses, including expenses of our Advisor reimbursable under the investment management agreements and of the Administrator reimbursable under the administration agreement except for certain administration overhead costs which are not currently contemplated to be charged to us. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the twelve month period ended December 31, 2016.

Example

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

	1 year	**3 years**	**5 years**	**10 years**
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net investment income(1)	102	235	363	658
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net realized capital gains(2)	102	235	363	658

(1) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 8%. Consequently, no incentive compensation would be incurred in this scenario.

(2) All incentive compensation (on both net investment income and net realized gains) is subject to a total return hurdle of 8%. Consequently, no incentive compensation would be incurred in this scenario. Assumes no unrealized capital depreciation.

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

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

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SELECTED FINANCIAL DATA

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

The selected consolidated financial data below for the years ended December 31, 2016 and 2015 has been derived from our consolidated financial statements that were audited by Deloitte & Touche LLP, our independent registered public accounting firm. The selected consolidated financial data below for the years ended December 31, 2014, 2013 and 2012 has been derived from our consolidated financial statements that were audited by Ernst & Young LLP, our former independent registered public accounting firm. This selected financial data should be read in conjunction with our financial statements and related notes thereto, Management s Discussion and Analysis of Financial Condition and Results of Operations and Senior Securities included elsewhere in this prospectus.

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

	For the Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Performance Data:					
Interest income	$ 145,018,414	$ 142,012,553	$ 100,923,265	$ 66,979,064	$ 49,243,332
Dividend income	—	—	1,968,748	—	1,811,189
Lease income	1,571,280	1,352,797	1,334,330	1,121,614	823,030
Other income	1,591,071	3,502,875	2,355,105	1,508,368	315,208
Total investment income	148,180,765	146,868,225	106,581,448	69,609,046	52,192,759
Interest and other debt expenses	25,192,990	18,895,977	9,821,751	2,339,447	857,757
Management and advisory fees	18,881,786	18,593,660	13,646,064	8,820,229	6,908,942
Other expenses	8,283,156	7,999,070	5,012,257	3,141,484	2,625,722
Total expenses	52,357,932	45,488,707	28,480,072	14,301,160	10,392,421
Net investment income before taxes	95,822,833	101,379,518	78,101,376	55,307,886	41,800,338
Excise tax expense	569,511	876,706	808,813	977,624	1,479,978
Net investment income	95,253,322	100,502,812	77,292,563	54,330,262	40,320,360
Net Realized and unrealized gains (losses)	114,502	(22,405,111)	(27,304,578)	9,071,361	(12,784,251)
Gain on repurchase of Series A	—	1,675,000	—	—	—

preferred interests					
Dividends to preferred interest holders	—	(754,140)	(1,438,172)	(1,494,552)	(1,602,799)
Incentive allocation	(19,050,665)	(19,949,734)	(14,002,294)	(12,381,416)	—
Net increase in net assets applicable to common shareholders resulting from operations	$ 76,317,159	$ 59,068,827	$ 34,547,519	$ 49,525,655	$ 25,933,310
Per Share Data (at the end of the period):*					
Net increase in net assets from operations	$ 1.50	$ 1.21	$ 0.88	$ 1.91	$ 1.21
Distributions declared per share	(1.44)	(1.44)	(1.54)	(1.53)	(1.43)
Average weighted shares outstanding for the period	50,948,035	48,863,188	39,395,671	25,926,493	21,475,847
Assets and Liabilities Data:					
Investments	$ 1,314,969,870	$ 1,182,919,725	$ 1,146,535,886	$ 766,262,959	$ 517,683,087
Other assets	72,628,591	56,193,226	54,892,712	37,066,243	31,559,015
Total assets	1,387,598,461	1,239,112,951	1,201,428,598	803,329,202	549,242,102
Debt, net of unamortized issuance costs	571,658,862	498,205,471	324,258,631	95,000,000	74,000,000
Other liabilities	25,003,608	18,930,463	11,543,149	23,045,112	24,728,267
Total liabilities	596,662,470	517,135,934	335,801,780	118,045,112	98,728,267
Preferred limited partnership interest	—	—	134,497,790	134,504,252	134,526,285
Non-controlling interest	—	—	—	1,168,583	—
Net assets	$ 790,935,991	$ 721,977,017	$ 731,129,028	$ 549,611,255	$ 315,987,550
Investment Activity Data:					
No. of portfolio companies at period end	90	88	84	67	54
Acquisitions	$ 587,219,129	$ 500,928,009	$ 669,515,626	$ 471,087,319	$ 359,020,926

Sales, repayments, and other disposals	$ 473,457,512	$ 456,059,137	$ 266,008,974	$ 235,641,665	$ 211,216,033
Weighted-average effective yield at end of period	10.9 %	11.0 %	10.9 %	10.9 %	11.3 %

* Per share amounts prior to 2012 were calculated based on 418,986 pre-Conversion shares outstanding. Per share amounts starting in 2012 are calculated on weighted-average shares outstanding for each period.

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RISKS

Before you invest in our Securities, you should be aware of various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this prospectus, including our consolidated financial statements and the related notes thereto, before you decide whether to make an investment in our Securities. The risks set out below are not the only risks we face, but they are the principal risks associated with an investment in the Company as well as generally associated with investment in a company with investment objectives, investment policies, capital structure or trading markets similar to the Company s. Such risk factors also describe the special risks of investing in a business development company, including the risks associated with investing in a portfolio of small and developing or financially troubled businesses. Additional risks and uncertainties not currently known to us or that are currently immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the following events occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value and the trading price of our common stock could decline, or the value of our preferred stock, debt securities and warrants, if any are outstanding, may decline, and you may lose all or part of your investment.

Certain risks in the current environment

Capital markets may experience periods of disruption and instability. Such market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability, which may be evidenced by a lack of liquidity in debt capital markets, write-offs in the financial services sector, re-pricing of credit risk and failure of certain major financial institutions. An example of such disruption and instability occurred between 2008 and 2009. During that period, despite actions of the U.S. federal government and foreign governments, such disruption and instability contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. While capital markets have improved in recent years, these conditions could deteriorate again and global financial markets could experience significant volatility. During such market disruptions, we may have difficulty raising debt or equity capital especially as a result of regulatory constraints. There can be no assurance that adverse market conditions will not repeat themselves or worsen in the future. Equity capital may be difficult to raise because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of common stock at a price less than net asset value without first obtaining approval for such issuance from our stockholders and our independent directors. At our annual meeting of stockholders held on May 19, 2016, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering, our stockholders approved our ability to sell or otherwise issue shares of our common stock at a price below its then current net asset value per share for a twelve month period expiring on the anniversary of the date of stockholder approval. It should be noted that, theoretically, we may offer up to 25% of our then outstanding common stock each day. We are seeking stockholder approval at our 2017 annual meeting to continue for an additional year our ability to issue shares of common stock below net asset value, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering. In addition, our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage, as calculated in accordance with the 1940 Act, must equal at least 200% immediately after each time we incur indebtedness. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than our current leverage. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness and any failure to do so could have a material adverse effect on our business. The re-appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time could make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that

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will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience. Further, if we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

The illiquidity of our investments may make it difficult for us to sell such investments if required. As a result, we may realize significantly less than the value at which we have recorded our investments. In addition, significant changes in the capital markets, including the disruption and volatility, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition and results of operations.

Price declines and illiquidity in the corporate debt markets have adversely affected, and may in the future adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by or under the direction of our board of directors. Decreases in the market values or fair values of our investments are recorded as unrealized depreciation, which reduces our net asset value. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse impact on our business, financial condition and results of operations.

The downgrade of the U.S. credit rating, the economic crisis in Europe, turbulence in Chinese markets and global commodity markets or other macro-economic events could negatively impact our business, financial condition and earnings.

Although U.S. lawmakers passed legislation to raise the federal debt ceiling and Standard & Poor s Ratings Services affirmed its 'AA+' long term sovereign credit rating on the United States and revised the outlook on the long-term rating from negative to stable in June of 2013, U.S. debt ceiling and budget deficit concerns together with signs of deteriorating sovereign debt conditions in Europe continue to present the possibility of a credit-rating downgrade, economic slowdowns, or a recession for the United States. The impact of any further downgrades to the U.S. government s sovereign credit rating or downgraded sovereign credit ratings of European countries or the Russian Federation, or their perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. These developments, along with any further European sovereign debt issues, could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. Continued adverse economic conditions could have a material adverse effect on our business, financial condition and results of operations.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions. In July and August 2015, Greece reached agreements with its international creditors for bailouts that provide aid in exchange for austerity terms that had previously been rejected by Greek voters. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. We cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

In addition, stock prices in China experienced a significant decline in the second quarter of 2015, resulting primarily from continued sell-off of shares trading in Chinese markets. In August 2015, Chinese authorities

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sharply devalued China's currency. Chinese market volatility has been followed by volatility in stock markets around the world, including in the United States, and increased volatility in commodity markets, such as reductions in prices of crude oil. Continued volatility in Chinese markets may have a contagion effect across the financial markets. These market and economic disruptions affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business.

Additionally, Russian intervention in Ukraine beginning in 2014 significantly increased regional geopolitical tensions. The situation remains fluid with potential for further escalation of geopolitical tensions, increased severity of sanctions against Russian interests, and possible Russian countermeasures. Further economic sanctions could destabilize the economic environment and result in increased volatility. Should the economic recovery in the United States be adversely impacted by increased volatility in the global financial markets caused by developments as a result of the Russian sanctions, further turbulence in Chinese markets and global commodity markets or for any other reason, loan and asset growth and liquidity conditions at U.S. financial institutions, including us, may deteriorate.

In October 2014, the Federal Reserve announced that it was concluding its bond-buying program, or quantitative easing, which was designed to stimulate the economy and expand the Federal Reserve s holdings of long-term securities, suggesting that key economic indicators, such as the unemployment rate, had showed signs of improvement since the inception of the program. In December 2016, the Federal Reserve raised the target range for the federal funds rate, which was only the second such interest rate hike in nearly a decade. To the extent the Federal Reserve continues to raise rates, and without quantitative easing by the Federal Reserve, there is a risk that the debt markets may experience increased volatility and that the liquidity of certain of our investments may be reduced. These developments, along with the corresponding potential rise in interest rates and borrowing costs, the United States government s credit and deficit concerns and the European sovereign debt crisis, may negatively impact our ability to access the debt markets on favorable terms.

In November 2016, the U.S. held its federal election and elected Donald Trump as president. While campaigning, Mr. Trump made statements suggesting he may seek to adopt legislation that could significantly affect the regulation of United States financial markets. Areas subject to potential change, amendment or repeal include the Dodd-Frank Act, including the Volcker Rule and various swaps and derivatives regulations, the authority of the Federal Reserve and the Financial Stability Oversight Council, and renewed proposals to separate banks commercial and investment banking activities. Mr. Trump also suggested he may seek to adopt new tax legislation which may include limits on interest deductibility and other changes that may impact corporate credit demand or the profitability and cash flow of certain businesses. Mr. Trump also stated he would cause the United States to withdraw from or renegotiate various trade agreements and take other actions that would change current trade policies of the United States. We cannot predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the United States. Such actions could have a significant adverse effect on our business, financial condition and results of operations.

Uncertainty regarding the United Kingdom Referendum Regarding Departure from the European Union could negatively impact our business, financial condition and earnings.

As a consequence of the United Kingdom s vote to withdraw from the European Union, the government of the United Kingdom may give notice of its withdrawal from the European Union. There is still considerable uncertainty relating to the potential consequences and precise timeframe for the exit, how the negotiations for the terms of withdrawal and new trade agreements will be conducted, and whether the United Kingdom s exit will increase the likelihood of other countries also departing the European Union. During this period of uncertainty, the negative impact on not only the United Kingdom and European economies, but the broader global economy, could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Any further exits from the European Union, or the possibility of such exits, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

Rising interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations.

Our debt investments may be based on floating rates, such as London Interbank Offer Rate (LIBOR), EURIBOR, the Federal Funds Rate or the Prime Rate. General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. A

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reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on our net interest income. An increase in interest rates could decrease the value of any investments we hold which earn fixed interest rates, including subordinated loans, senior and junior secured and unsecured debt securities and loans and high yield bonds, and also could increase our interest expense, thereby decreasing our net income. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock.

Because we have borrowed money, and may issue preferred stock to finance investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds or pay distributions on preferred stock and the rate that our investments yield. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates, our cost of funds would increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income.

You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rate we receive on many of our debt investments. Accordingly, a change in the interest rate could make it easier for us to meet or exceed the performance threshold and may result in a substantial increase in the amount of incentive fees payable to our Advisor with respect to the portion of the Incentive Fee based on income.

Changes relating to the LIBOR calculation process may adversely affect the value of the LIBOR-indexed, floating-rate debt securities in our portfolio.

In the recent past, concerns have been publicized that some of the member banks surveyed by the British Bankers Association (BBA) in connection with the calculation of LIBOR across a range of maturities and currencies may have been under-reporting or otherwise manipulating the inter-bank lending rate applicable to them in order to profit on their derivatives positions or to avoid an appearance of capital insufficiency or adverse reputational or other consequences that may have resulted from reporting inter-bank lending rates higher than those they actually submitted. A number of BBA member banks entered into settlements with their regulators and law enforcement agencies with respect to alleged manipulation of LIBOR, and investigations by regulators and governmental authorities in various jurisdictions are ongoing.

Actions by the BBA, regulators or law enforcement agencies as a result of these or future events, may result in changes to the manner in which LIBOR is determined. Potential changes, or uncertainty related to such potential changes may adversely affect the market for LIBOR-based securities, including our portfolio of LIBOR-indexed, floating-rate debt securities. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market for LIBOR-based securities or the value of our portfolio of LIBOR-indexed, floating-rate debt securities.

Risks related to our business

We may not replicate the Company s historical performance or the historical performance of other entities managed or supported by our Advisor.

We may not be able to replicate the Company s historical performance or the historical performance of our Advisor s investments, and our investment returns may be substantially lower than the returns achieved by the Company in the past. We can offer no assurance that our Advisor will be able to continue to implement our investment objective with the same degree of success as it has had in the past.

Our business model depends upon the development and maintenance of strong referral relationships with other asset managers and investment banking firms.

We are substantially dependent on our informal relationships, which we use to help identify and gain access to investment opportunities. If we fail to maintain our relationships with key firms, or if we fail to establish strong referral relationships with other firms or other sources of investment opportunities, we will not be able to grow our portfolio of equity investments and achieve our investment objective. In addition, persons with whom we have informal relationships are not obligated to inform us of investment opportunities, and therefore such

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relationships may not lead to the origination of equity or other investments. Any loss or diminishment of such relationships could effectively reduce our ability to identify attractive portfolio companies that meet our investment criteria, either for direct equity investments or for investments through private secondary market transactions or other secondary transactions.

Our Advisor s liability is limited under the investment management agreement, and we are required to indemnify our Advisor against certain liabilities, which may lead our Advisor to act in a riskier manner on our behalf than it would when acting for its own account.

Our Advisor has not assumed any responsibility to us other than to render the services described in the investment management agreement, and it will not be responsible for any action of our board of directors in declining to follow our Advisor's advice or recommendations. Pursuant to the investment management agreement, our Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it will not be liable to us for their acts under the investment management agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect our Advisor and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it with respect to all damages, liabilities, costs and expenses resulting from acts of our Advisor not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the investment and management agreement. These protections may lead our Advisor to act in a riskier manner when acting on our behalf than it would when acting for its own account.

We may suffer credit losses.

Investment in middle-market companies is highly speculative and involves a high degree of risk of credit loss, and therefore our securities may not be suitable for someone with a low tolerance for risk. These risks are likely to increase during an economic recession.

Our use of borrowed funds, including under the Leverage Program, to make investments exposes us to risks typically associated with leverage.

The Operating Company borrows money, both directly and indirectly through TCPC Funding and TCPC SBIC. As a result:

- our common stock is exposed to incremental risk of loss and a decrease in the value of our investments would have a greater negative impact on the value of our common stock than if we did not use leverage;
- adverse changes in interest rates could reduce or eliminate the incremental income we make with the proceeds of leverage;
- we, and indirectly our common stockholders, bear the entire cost of issuing and paying interest or dividends on any borrowed funds issued by us or the Operating Company;
- our ability to pay dividends on our common stock will be restricted if our asset coverage ratio is not at least 200% and any amounts used to service indebtedness would not be available for such dividends; and
- our ability to amend the Operating Company organizational documents or investment management agreements may be restricted if such amendment could have a material adverse impact on lenders under our Leverage Program.

Any preferred stock we may issue have similar risks to our common stockholders as borrowings. Such preferred securities rank senior to common stock in our capital structure, resulting in such preferred securities having certain separate voting rights, dividend and liquidation rights, and possibly other rights, preferences or privileges more favorable than those granted to holders of our common stock. For example, payment of dividends and repayment of the liquidation preference of such preferred securities would take preference over any dividends or other payments to our common stockholders, and preferred holders would not be subject to any of our expenses or losses. Furthermore, the issuance of any preferred securities could delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stockholders or otherwise be in your best interest.

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The use of leverage creates increased risk of loss and is considered a speculative investment technique. The use of leverage magnifies the potential gains and losses from an investment and increases the risk of loss of capital. To the extent that income derived by us from investments purchased with borrowed funds is greater than the cost of borrowing or the issuances of preferred stock, our net income will be greater than if borrowing or issuing and servicing the preferred stock had not been used. Conversely, if the income from investments purchased from these sources is not sufficient to cover the cost of the leverage, our net investment income will be less than if leverage had not been used, and the amount available for ultimate distribution to the holders of common stock will be reduced. The extent to which the gains and losses associated with leveraged investing are increased will generally depend on the degree of leverage employed. We may, under some circumstances, be required to dispose of investments under unfavorable market conditions in order to maintain our leverage, thus causing us to recognize a loss that might not otherwise have occurred. In the event of a sale of investments upon default under our borrowing arrangements, secured creditors will be contractually entitled to direct such sales and may be expected to do so in their interest, rather than in the interests of the holders of common stock. Holders of common stock will incur losses if the proceeds from a sale in any of the foregoing circumstances are insufficient, after payment in full of amounts due and payable on leverage, including administrative expenses, to repay such holders investments in our common stock. As a result, you could experience a total loss of your investment. Any decrease in our revenue would cause our net income to decline more than it would have had we not borrowed funds and could negatively affect our ability to make distributions on our common stock. The ability to service any debt that we have or may have outstanding depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. There is no limitation on the percentage of portfolio investments that can be pledged to secure borrowings. The amount of leverage that we employ at any particular time will depend on our Advisor s and our board of director s assessments of market and other factors at the time of any proposed borrowing.

In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment under the SVCP Facility and TCPC Funding Facility, thereby materially and adversely affecting our liquidity, financial condition and results of operations.

Under the Leverage Program, we must comply with certain financial and operational covenants. These covenants include:

- restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets;
- restrictions on our ability to make distributions and other restricted payments under certain circumstances;
- restrictions on extraordinary events, such as mergers, consolidation and sales of assets;
- restrictions on our ability to incur liens and incur indebtedness; and
- maintenance of a minimum level of stockholders' equity.

In addition, by limiting the circumstances in which borrowings may occur under the SVCP Facility and TCPC Funding Facility, the credit agreements related to such facilities (the Credit Agreements) in effect provide for various asset coverage, credit quality and diversification limitations on our investments. Such limitations may cause us to be unable to make or retain certain potentially attractive investments or to be forced to sell investments at an inappropriate time and consequently impair our profitability or increase losses or result in adverse tax consequences. As of April 27, 2017, we were in compliance with these covenants. However our continued compliance with these covenants depends on many factors, some of which are beyond our control. Accordingly, there are no assurances that we will continue to comply with the covenants in the Credit Agreements. Failure to comply with these covenants would result in a default under the Credit Agreements which, if we were unable to obtain a waiver from the respective lenders thereunder, could result in an acceleration of repayments under the Credit Agreements.

The SVCP Facility also has certain key man provisions. For example, it is an event of default if either Howard M. Levkowitz or Rajneesh Vig cease to be actively involved in the management of our Advisor and is not replaced with someone with comparable skills within 180 days. Further, if any two of the individuals cease to be actively involved in management of our Advisor, the administrative agent under the Operating Company s

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Credit Agreement may veto a proposed replacement for one of such individuals and may veto any of the Operating Company s portfolio transactions that are in excess of 15% of its total assets until a replacement has been appointed to fill one of such positions.

The SVCP Facility matures in July 2018 and the TCPC Funding Facility matures in April 2021, subject to extension by the lenders at our request. Any inability to renew, extend or replace the SVCP Facility and/or TCPC Funding Facility could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

The SVCP Facility matures July 31, 2018, subject to extension by the lenders at our request. Advances under the SVCP Facility generally bear interest at LIBOR plus 2.50% per annum, subject to certain limitations. The TCPC Funding Facility matures on April 26, 2021, subject to an extension by the lender at our request. Advances under the TCPC Funding Facility generally bear interest based on LIBOR plus either 2.25% or 2.50% per annum, subject to certain limitations. We do not currently know whether we will renew, extend or replace the SVCP Facility and TCPC Funding Facility upon their maturities or whether we will be able to do so on terms that are as favorable as the SVCP Facility and TCPC Funding Facility. In addition, we will be required to liquidate assets to repay amounts due under the SVCP Facility and TCPC Funding Facility if we do not renew, extend or replace the SVCP Facility and TCPC Funding Facility prior to their respective maturities.

Upon the termination of the SVCP Facility and TCPC Funding Facility, there can be no assurance that we will be able to enter into a replacement facility on terms that are as favorable to us, if at all. Our ability to replace the SVCP Facility and TCPC Funding Facility may be constrained by then-current economic conditions affecting the credit markets. In the event that we are not able to replace the SVCP Facility and TCPC Funding Facility at the time of their maturity, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC.

The creditors under the SVCP Facility and TCPC Funding Facility have a first claim on all of the Company s assets included in the collateral for the respective facilities.

Lenders have fixed dollar claims on our assets that are superior to the claims of our common stockholders. Substantially all of our current assets have been pledged as collateral under the SVCP Facility and TCPC Funding Facility. If an event of default occurs under either of the SVCP Facility and TCPC Funding Facility, the respective lenders would be permitted to accelerate amounts due under the respective facilities and liquidate our assets to pay off amounts owed under the respective facilities and limitations would be imposed on us with respect to the purchase or sale of investments. Such limitations may cause us to be unable to make or retain certain potentially attractive investments or to be forced to sell investments at an inappropriate time and consequently impair our profitability or increase our losses or result in adverse tax consequences.

In the event of the dissolution of the Operating Company or otherwise, if the proceeds of the Operating Company s assets (after payment in full of obligations to any such debtors) are insufficient to repay capital invested in us by the holders of the common stock, no other assets will be available for the payment of any deficiency. None of our board of directors, our Advisor, the General Partner or any of their respective affiliates, have any liability for the repayment of capital contributions made to the Company by the holders of common stock. Holders of common stock could experience a total loss of their investment in the Company.

Lenders under the SVCP Facility may have a veto power over the Company s investment policies.

If a default has occurred under the SVCP Facility, the lenders under the SVCP Facility may veto changes in investment policies. The SVCP Facility also has certain limitations on unusual types of investments such as commodities, real estate and speculative derivatives, which are not part of the Company s investment strategy or policies in any event.

TCPC SBIC may be unable to make distributions to us that will enable us to meet or maintain RIC status, which could result in the imposition of an entity-level tax.

In order for us to continue to qualify for RIC tax treatment and to minimize corporate-level taxes, we will be required to distribute substantially all of our net ordinary income and net capital gain income, including income from certain of our subsidiaries, which includes the income from TCPC SBIC. We will be partially dependent on TCPC SBIC for cash distributions to enable us to meet the RIC distribution requirements. TCPC

SBIC may be limited by the Small Business Investment Act of 1958, and SBA regulations governing SBICs, from making certain distributions to us that may be necessary to enable us to maintain our status as a RIC. We may have to request a waiver of the SBA's restrictions for TCPC SBIC to make certain distributions to maintain our eligibility for RIC status. We cannot assure you that the SBA will grant such a waiver and if TCPC SBIC is unable to obtain a waiver, compliance with the SBA regulations may result in loss of RIC tax treatment and a consequent imposition of an entity-level tax on us.

TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

On April 22, 2014, TCPC SBIC received an SBIC license from the SBA. The SBIC license allows TCPC SBIC to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, will have a superior claim to TCPC SBIC's assets over our stockholders in the event we liquidate TCPC SBIC or the SBA exercises its remedies under the SBA-guaranteed debentures issued by TCPC SBIC upon an event of default.

Under current SBA regulations, a licensed SBIC can provide capital to those entities that have a tangible net worth not exceeding $19.5 million and an average annual net income after Federal income taxes not exceeding $6.5 million for the two most recent fiscal years. In addition, a licensed SBIC must devote 25% of its investment activity to those entities that have a tangible net worth not exceeding $6.0 million and an average annual net income after Federal income taxes not exceeding $2.0 million for the two most recent fiscal years. The SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on factors such as the number of employees and gross sales. The SBA regulations permit licensed SBICs to make long term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. The SBA also places certain limitations on the financing terms of investments by SBICs in portfolio companies and prohibits SBICs from providing funds for certain purposes or to businesses in a few prohibited industries. Compliance with SBA requirements may cause TCPC SBIC to forego attractive investment opportunities that are not permitted under SBA regulations.

Further, the SBA regulations require that a licensed SBIC be periodically examined and audited by the SBA to determine its compliance with the relevant SBA regulations. The SBA prohibits, without prior SBA approval, a change of control of an SBIC or any transfers of the capital stock of a licensed SBIC. If TCPC SBIC fails to comply with applicable SBA regulations, the SBA could, depending on the severity of the violation, limit or prohibit its use of debentures, declare outstanding debentures immediately due and payable, and/or limit it from making new investments. In addition, the SBA can revoke or suspend a license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958 or any rule or regulation promulgated thereunder. Our Advisor, as TCPC SBIC's investment adviser, does not have any previous experience managing an SBIC. Its limited experience in complying with SBA regulations may hinder its ability to take advantage of TCPC SBIC's access to SBA-guaranteed debentures. Any failure to comply with SBA regulations could have an adverse effect on our operations.

SBA regulations limit the outstanding dollar amount of SBA-guaranteed debentures that may be issued by an SBIC or group of SBICs under common control.

The SBA regulations currently limit the dollar amount of SBA-guaranteed debentures that can be issued by any one SBIC to $150.0 million or to a group of SBICs under common control to $350.0 million.

An SBIC may not borrow an amount in excess of two times (and in certain cases, up to three times) its regulatory capital. As of December 31, 2016, TCPC SBIC had $61.0 million in SBA-guaranteed debentures outstanding. If we reach the maximum dollar amount of SBA-guaranteed debentures permitted, and if we require additional capital, our cost of capital may increase, and there is no assurance that we will be able to obtain additional financing on acceptable terms.

Moreover, the current status of TCPC SBIC as an SBIC does not automatically assure that TCPC SBIC will continue to receive SBA-guaranteed debenture funding. Receipt of SBA leverage funding is dependent upon

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TCPC SBIC continuing to be in compliance with SBA regulations and policies and available SBA funding. The amount of SBA leverage funding available to SBICs is dependent upon annual Congressional authorizations and in the future may be subject to annual Congressional appropriations. There can be no assurance that there will be sufficient debenture funding available at the times desired by TCPC SBIC.

The debentures guaranteed by the SBA have a maturity of ten years and require semi-annual payments of interest. TCPC SBIC will need to generate sufficient cash flow to make required interest payments on the debentures. If TCPC SBIC is unable to meet their financial obligations under the debentures, the SBA, as a creditor, will have a superior claim to TCPC SBIC's assets over our stockholders in the event we liquidate TCPC SBIC or the SBA exercises its remedies under such debentures as the result of a default by us.

If we incur additional leverage, it will increase the risk of investing in shares of our common stock.

The Company has indebtedness pursuant to the Leverage Program and expects, in the future, to borrow additional amounts under the SVCP Facility and TCPC Funding Facility and may increase the size of the SVCP Facility and TCPC Funding Facility or enter into other borrowing arrangements.

Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation is based on our level of leverage at December 31, 2016, which represented borrowings equal to 41.8% of our total assets. On such date, we also had $1,387.6 million in total assets; $1,315.0 million in total investments; an average cost of funds of 3.95%; $579.9 million aggregate principal amount of debt outstanding; and $791.0 million of total net assets. In order to compute the Corresponding Return to Common Stockholders, the Assumed Return on Portfolio (Net of Expenses Other than Interest) is multiplied by the total value of our investment portfolio at December 31, 2016 to obtain an assumed return to us. From this amount, interest expense multiplied the combined rate of interest of 3.95% by the $579.9 million of debt is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets at December 31, 2016 to determine the Corresponding Return to Common Stockholders. Actual interest payments may vary.

Assumed Return on Portfolio (Net of Expenses Other than Interest)	**-10 %**	**-5 %**	**0 %**	**5 %**	**10 %**
Corresponding Return to Common Stockholders	-20 %	-11 %	-3 %	5 %	14 %

The assumed portfolio return in the table is based on SEC regulations and is not a prediction of, and does not represent, our projected or actual performance. The table also assumes that we will maintain a constant level of leverage. The amount of leverage that we use will vary from time to time.

The lack of liquidity in substantially all of our investments may adversely affect our business.

Our investments generally are made and will continue to be made in private companies. Substantially all of these securities will be subject to legal and other restrictions on resale or will be otherwise less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded our investments. Further, we may face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we or an affiliated manager has material non-public information regarding such portfolio company.

A substantial portion of our portfolio investments may be recorded at fair value as determined 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 and, as a result, there may be uncertainty regarding the value of our portfolio investments.

The debt and equity investments that we make for which market quotations are not readily available will be valued at fair value as determined 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. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ

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significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material. Our net asset value could be adversely affected if determinations regarding the fair value of these investments were materially higher than the values ultimately realized upon the disposal of such investments.

We are exposed to risks associated with changes in interest rates.

General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on our net investment income. An increase in interest rates could decrease the value of any investments we hold that earn fixed interest rates, including subordinated loans, senior and junior secured and unsecured debt securities and loans and high-yield bonds, and also could increase our interest expense, thereby decreasing our net income. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock.

Our Advisor may face conflicts in allocating investment opportunities between us and certain other entities that could adversely impact our investment returns.

Our Advisor and its affiliates, employees and associates currently do and in the future may manage other funds and accounts, including for other accounts in which certain holders of our common stock have investments, which we refer to as Other Advisor Accounts. Other Advisor Accounts invest in assets that are also eligible for purchase by us. Our investment policies, fee arrangements and other circumstances may vary from those of Other Advisor Accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and Other Advisor Accounts. In general, our Advisor and its affiliates will allocate investment opportunities pro rata among us and Other Advisor 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 and described below. 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 Advisor Accounts desire to sell it or we may not have additional capital to invest at a time Other Advisor Accounts do. When our investment allocations are made on a basis other than pro rata our investment performance may be less favorable when compared to the investment performance of Other Advisor Accounts with respect to those investments. Our Advisor and its affiliates intend to allocate investment opportunities to us and Other Advisor Accounts in a manner that they believe in their judgment and based upon their fiduciary duties to be appropriate given the investment objectives, size of transaction, investable assets, alternative investments potentially available, prior allocations, liquidity, maturity, expected holding period, diversification, lender covenants and other limitations of ours and the Other Advisor Accounts. See — Risks related to our operations as a BDC — 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, our Advisor may face conflicts of interests and investments made pursuant to the exemptive order conditions could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us.

There may be situations in which Other Advisor Accounts and the Company might invest in different securities issued by the same portfolio company. It is possible that if the portfolio company s financial performance and condition deteriorates such that one or both investments are or could be impaired, our Advisor might face a conflict of interest given the difference in seniority of the respective investments. In such situations, our Advisor would review the conflict on a case-by-case basis and implement procedures consistent with its fiduciary duty to enable it to act fairly to the Other Advisor Accounts and the Company under the circumstances. Any steps by our Advisor will take into consideration the interests of each of the affected clients, the circumstances giving rise to the conflict, the procedural efficacy of various methods of addressing the conflict and applicable legal requirements.

Moreover, our Advisor s investment professionals, its Investment Committee (as defined below), its senior management and employees serve or may serve as officers, directors or principals of entities that operate in the

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same or a related line of business. Accordingly, these individuals may have obligations to investors in those entities or funds, the fulfillment of which might not be in our best interests or the best interests of our stockholders. In addition, certain of the personnel employed by our Advisor or focused on our business may change in ways that are detrimental to our business.

We have limited operating history as a BDC and, if our Advisor is unable to manage our investments effectively, we may be unable to achieve our investment objective.

Our ability to achieve our investment objective will depend on our ability to manage our business, which will depend, in turn, on the ability of our Advisor to identify, invest in and monitor companies that meet our investment criteria. Accomplishing this result will largely be a function of our Advisor's investment process. Although our Advisor has managed closed-end funds with similar restrictions, the 1940 Act imposes numerous constraints on the operations of BDCs. Our Advisor's limited experience in operating under these constraints may hinder our Advisor's ability to help us take advantage of attractive investment opportunities and to achieve our investment objectives. For example, BDCs are prohibited from making any nonqualifying investment unless at least 70% of their total assets are primarily in qualifying investments, which are primarily securities of private or thinly-traded U.S. companies (excluding certain financial companies), cash, cash equivalents, U.S. Government securities and other high quality debt investments that mature in one year or less. Our Advisor has limited experience investing under these constraints. In addition, the General Partner has limited experience administering a BDC.

Our Advisor and its partners, officers, directors, members, managers, employees, affiliates and agents may be subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, us.

Our Advisor and its affiliates may spend substantial time on other business activities, including investment management and advisory activities for entities and accounts with the same or overlapping investment objectives, investing for their own account, financial advisory services (including services for entities in which we invest), and acting as directors, officers, creditor committee members or in similar capacities. Subject to the requirements of the 1940 Act and other applicable laws, our Advisor and its affiliates and associates intend to engage in such activities and may receive compensation from third parties for their services. Subject to the same requirements, such compensation may be payable by entities in which we invest in connection with actual or contemplated investments, and our Advisor may receive fees and other compensation in connection with structuring investments which they will share.

Our Advisor s management fee is based on a percentage of our total assets (other than cash or cash equivalents) and our Advisor may have conflicts of interest in connection with decisions that could affect our total assets, such as decisions as to whether to incur additional debt to increase management fees paid and to recoup our Advisor s payment of half of the sales load in connection with our initial public offering in April 2012.

Our incentive compensation may induce our Advisor to make certain investments, including speculative investments.

The incentive compensation payable by us to our Advisor and the General Partner may create an incentive for our Advisor to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive compensation payable to our Advisor is determined may encourage our Advisor to increase the use of leverage or take additional risk to increase the return on our investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor the holders of our common stock, including investors in the offerings pursuant to this prospectus and any related prospectus supplement, or of securities convertible into our common stock or warrants representing rights to purchase our common stock or securities convertible into our common stock. A rise in the general level of interest rates can be expected to lead to higher interest rates applicable to certain of our debt investments and may accordingly result in a substantial increase in the amount of incentive compensation payable to our Advisor with respect to our cumulative investment income. Although the incentive compensation payable to the General Partner or our Advisor is subject to a total return limitation, our Advisor may have some ability to accelerate the realization of gains to obtain incentive compensation earlier than it otherwise would when it may be in our best interests to not yet realize gains. Our directors monitor our use of leverage and our Advisor s management of our investment program in the best interests of our common stockholders.

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We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, and, to the extent we so invest, we will bear our ratable share of any such investment company s expenses, including management and performance fees. We will also remain obligated to pay management and incentive compensation to our Advisor with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our common stockholders will bear his or her share of our management and incentive compensation as well as indirectly bear the management and performance fees and other expenses of any investment companies in which we invest.

We may be obligated to pay our Advisor incentive compensation payments in excess of the amounts we would have paid if such compensation was subject to clawback arrangements.

Our Advisor or the General Partner is entitled to incentive compensation for each fiscal quarter after January 1, 2013 in an amount equal to a percentage of our ordinary income (before deducting incentive compensation) since that date and, separately, a percentage of our realized capital gains (net of realized capital losses and unrealized depreciation) since that date, in each case subject to a cumulative total return requirement. If we pay incentive compensation and thereafter experience additional realized capital losses or unrealized capital depreciation such that we would no longer have been required to provide incentive compensation, we will not be able to recover any portion of the incentive compensation previously paid or distributed because our incentive compensation arrangements do not contain any clawback provisions. As a result, the incentive compensation could exceed 20% of our cumulative total return, depending on the timing of unrealized appreciation, net unrealized depreciation and net realized capital losses. For example, part of the incentive compensation payable or distributable by us that relates to our ordinary income is computed on income that may include interest that has been accrued but not yet received in cash. If a portfolio company defaults on a loan, it is possible that accrued interest previously used in the calculation of the incentive compensation will become uncollectible. Similarly, the income component is measured against a total return limitation that includes unrealized gains. Such gains may not be realized or may be realized at a lower amount. Consequently, we may have paid incentive compensation on income in circumstances where we otherwise would not have done so and with respect to which we do not have a clawback right against our Advisor or the General Partner.

The General Partner may have certain interests that conflict with the interests of the board of directors in the governance of the Operating Company.

The General Partner, an affiliate of our Advisor, is responsible for the day-to-day operations of the Operating Company subject to the general supervision of the board of directors including various significant matters such as the issuance of additional classes of securities of the Operating Company and the determination of the timing and amounts of distributions payable by the Operating Company. The decisions of the General Partner with respect to these and other matters may be subject to various conflicts of interest arising out of its relationship with us and its affiliates. The General Partner could be confronted with decisions where it will, directly or indirectly, have an economic incentive to place its interests or the interests of its affiliates above ours.

We are dependent upon senior management personnel of our Advisor for our future success, and if our Advisor is unable to retain qualified personnel or if our Advisor loses any member of its senior management team, our ability to achieve our investment objective could be significantly harmed.

The success of the Company is highly dependent on the financial and managerial expertise of our Advisor. The loss of one or more of the voting members of the Investment Committee could have a material adverse effect on the performance of the Company. Although our Advisor and the voting members of the Investment Committee devote a significant amount of their respective efforts to the Company, they actively manage investments for other clients and are not required to (and will not) devote all of their time to the Company s affairs.

Our Advisor or its affiliates may, from time to time, possess material non-public information, limiting our investment discretion.

Our Advisor s investment professionals, Investment Committee or their respective affiliates may serve as directors of, or in a similar capacity with, companies in which we invest. In the event that material non-public information is obtained with respect to such companies, or we became subject to trading restrictions under the

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internal trading policies of those companies or as a result of applicable law or regulations, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us and, consequently, your interests as a stockholder.

Our Advisor can resign on 60 days notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.

Our Advisor has the right, under our investment management agreement, to resign at any time upon not more than 60 days written notice, whether we have found a replacement or not. If our Advisor resigns, we may not be able to find a new investment advisor or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our Advisor and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

We may in the future determine to fund a portion of our investments by issuing preferred stock, which would magnify the potential gains or losses and the risks of investing in us in the same manner as our borrowings.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any dividends or other payments to our common stockholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). Lastly, under the 1940 Act, preferred stock constitutes a senior security for purposes of the 200% asset coverage test.

We may experience fluctuations in our periodic operating results.

We could experience fluctuations in our periodic operating results due to a number of factors, including the interest rates payable on the debt securities we acquire, the default rate on such securities, the level of our expenses (including the interest rates payable on our borrowings), the dividend rates payable on preferred stock we issue, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

If we fail to maintain our status as a business development company, our business and operating flexibility could be significantly reduced.

We qualify as business development companies under the 1940 Act. The 1940 Act imposes numerous constraints on the operations of business development companies. For example, BDCs are prohibited from making any nonqualifying investments unless at least 70% of their total assets are invested in qualifying investments which are primarily securities of private or thinly-traded U.S. companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against us and/or expose us to claims of private litigants. In addition, any such failure could cause an event of default under the Leverage Program, which could have a materially adverse effect on our business, financial conditions or results of operations. See Regulation. Such a failure could also have adverse tax consequences. See U.S. Federal Income Tax Matters — Failure to Qualify as a RIC.

Because we intend to distribute substantially all of our income to our stockholders to maintain our status as a RIC, we will continue to need additional capital to finance growth. If additional funds are unavailable or not available on favorable terms, our ability to grow will be impaired.

In order for the Holding Company to qualify for the tax benefits available to RICs and to minimize payment of excise taxes, we intend to distribute to our stockholders substantially all of our annual taxable income, except that we may retain certain net capital gains for reinvestment in common interests of the Operating Company, and treat such amounts as deemed distributions to our stockholders. If we elect to treat any amounts as deemed distributions, we must pay income taxes at the corporate rate on such deemed distributions on behalf of our stockholders and our stockholders will receive a tax credit for such amounts and an increase in basis. A stockholder that is not subject to U.S. federal income tax or otherwise is not required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes we paid. As a result of these requirements, we will likely need to raise capital from other sources to grow our business. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets could limit our ability to grow our business and fully execute our business strategy and could decrease our earnings, if any. As a BDC, we are not able to incur senior securities unless after giving effect thereto we meet a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which includes all of our borrowings, of at least 200%. This means that for every $100 of net assets, we may raise $100 from senior securities, such as borrowings or issuing preferred stock. These requirements limit the amount that we may borrow. On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC LP guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting TCPC SBIC to borrow up to $150.0 million more than it would otherwise be able to absent the receipt of this exemptive relief.

Because we will continue to need capital to grow our investment portfolio, these limitations may prevent us from incurring debt and require us to raise additional equity at a time when it may be disadvantageous to do so. While we expect we will be able to borrow and to issue additional debt securities and expect that we will be able to issue additional equity securities, we cannot assure you that debt and equity financing will be available to us on favorable terms, or at all. In addition, as a business development company, we generally will not be permitted to issue equity securities priced below net asset value without stockholder approval. If additional funds are not available to us, we could be forced to curtail or cease new investment activities and our net asset value or common stock price could decline.

The highly competitive market in which we operate may limit our investment opportunities.

A number of entities compete with us to make the types of investments that we make. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies, and, to the extent they provide an alternative form of financing, private equity funds. Additionally, because competition for investment opportunities generally has increased among alternative investment vehicles, such as hedge funds, those entities now invest in areas in which they have not traditionally invested, including making investments in middle-market private companies. As a result of these new entrants, competition for investment opportunities intensified over the past several years and may intensify further in the future. Some of our existing and potential competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions and valuation requirements that the 1940 Act imposes on us as a BDC and that the Code imposes on us as a RIC. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this existing and potentially increasing competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective.

We do not seek to compete primarily based on the interest rates we offer, and we believe that some of our competitors make loans with interest rates that are comparable to or lower than the rates we offer.

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We may lose investment opportunities if we do not match our competitors pricing, terms and structure. If we match our competitors pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. As a result of operating in such a competitive environment, we may make investments that are on better terms to our portfolio companies than what we may have originally anticipated, which may impact our return on these investments.

Our board of directors may change our operating policies and strategies without prior notice or stockholder approval.

Our board of directors has the authority to modify or waive our operating policies and strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results or value of our stock. Nevertheless, the effects could adversely affect our business and impact our ability to make distributions and cause you to lose all or part of your investment.

Risks related to our investments

We have not yet identified the portfolio company investments we intend to acquire using the proceeds of the offerings.

We have not yet identified the potential investments for our portfolio that we will purchase following the future offerings pursuant to this prospectus and any related prospectus supplement. Our Advisor will select our investments subsequent to the closing of any such offering, and our stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in our Securities.

Our investments may be risky, and you could lose all or part of your investment.

We invest primarily in middle-market companies primarily through leveraged loans.

Risks Associated with middle-market companies. Investing in private middle-market companies involves a number of significant risks, including:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral;
- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors’ actions and market conditions, as well as general economic downturns;
- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the portfolio company and, in turn, on us;
- they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
- our executive officers, directors and our Advisor may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies;
- changes in laws and regulations, as well as their interpretations, may adversely affect their respective businesses, financial structures or prospects; and
- they may have difficulty accessing the capital markets to meet future capital needs.

Little public information exists about private middle-market companies, and we expect to rely on our Advisor s investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. These companies and their financial information are not subject to the Sarbanes-Oxley Act of 2002 and other rules that govern disclosures and financial controls of public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investment.

Lower Credit Quality Obligations. Most of our debt investments are likely to be in lower grade obligations. The lower grade investments in which we invest may be rated below investment grade by one or more nationally-recognized statistical rating agencies at the time of investment or may be unrated but determined by our Advisor to be of comparable quality. Debt securities rated below investment grade are commonly referred to as junk bonds and are considered speculative with respect to the issuer s capacity to pay interest and repay principal. The debt that we invest in typically is not rated prior to our investment by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than Baa3 by Moody s Investors Service, lower than BBB- by Fitch Ratings or lower than BBB- by Standard & Poor s). We may invest without limit in debt of any rating, as well as debt that has not been rated by any nationally recognized statistical rating organization.

Investment in lower grade investments involves a substantial risk of loss. Lower grade securities or comparable unrated securities are considered predominantly speculative with respect to the issuer s ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for lower grade debt tend to be very volatile and are less liquid than investment grade securities. For these reasons, your investment in our company is subject to the following specific risks:

- increased price sensitivity to a deteriorating economic environment;
- greater risk of loss due to default or declining credit quality;
- adverse company specific events are more likely to render the issuer unable to make interest and/or principal payments; and
- if a negative perception of the lower grade debt market develops, the price and liquidity of lower grade securities may be depressed. This negative perception could last for a significant period of time.

Adverse changes in economic conditions are more likely to lead to a weakened capacity of a lower grade issuer to make principal payments and interest payments than an investment grade issuer. The principal amount of lower grade securities outstanding has proliferated in the past decade as an increasing number of issuers have used lower grade securities for corporate financing. An economic downturn could severely affect the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity. Similarly, downturns in profitability in specific industries could adversely affect the ability of lower grade issuers in that industry to meet their obligations. The market values of lower grade debt tend to reflect individual developments of the issuer to a greater extent than do higher quality investments, which react primarily to fluctuations in the general level of interest rates. Factors having an adverse impact on the market value of lower grade debt may have an adverse effect on our net asset value and the market value of our common stock. In addition, we may incur additional expenses to the extent we are required to seek recovery upon a default in payment of principal of or interest on our portfolio holdings. In certain circumstances, we may be required to foreclose on an issuer s assets and take possession of its property or operations. In such circumstances, we would incur additional costs in disposing of such assets and potential liabilities from operating any business acquired.

The secondary market for lower grade debt is unlikely to be as liquid as the secondary market for more highly rated debt, a factor which may have an adverse effect on our ability to dispose of a particular instrument. There are fewer dealers in the market for lower grade securities than investment grade obligations. The prices quoted by different dealers may vary significantly and the spread between the bid and asked price is generally larger than for higher quality instruments. Under adverse market or economic conditions, the secondary market for lower grade debt could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become highly illiquid. As a result, we could find it more difficult to sell these instruments or may be able to sell the securities only at prices lower than if such instruments were widely traded. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating our net asset value.

Since investors generally perceive that there are greater risks associated with lower grade debt of the type in which we may invest a portion of our assets, the yields and prices of such debt may tend to fluctuate more than those for higher rated instruments. In the lower quality segments of the fixed income markets, changes in perceptions of issuers creditworthiness tend to occur more frequently and in a more pronounced manner than do changes in higher quality segments of the income securities market, resulting in greater yield and price volatility.

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Distressed Debt Securities Risk. At times, distressed debt obligations may not produce income and may require us to bear certain extraordinary expenses (including legal, accounting, valuation and transaction expenses) in order to protect and recover our investment. Therefore, our ability to achieve current income for our stockholders may be diminished. We also will be subject to significant uncertainty as to when and in what manner and for what value the distressed debt we invest in will eventually be satisfied (e.g., through a liquidation of the obligor s assets, an exchange offer or plan of reorganization involving the distressed debt securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or plan of reorganization is adopted with respect to distressed debt we hold, there can be no assurance that the securities or other assets received by us in connection with such exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made. Moreover, any securities received by us upon completion of an exchange offer or plan of reorganization may be restricted as to resale. As a result of our participation in negotiations with respect to any exchange offer or plan of reorganization with respect to an issuer of distressed debt, we may be restricted from disposing of such securities.

Payment-in-kind Interest Risk. Our loans may contain a payment-in-kind, or PIK, interest provision. PIK investments carry additional risk as holders of these types of securities receive no cash until the cash payment date unless a portion of such securities is sold. If the issuer defaults the Company may obtain no return on its investment. The PIK interest, computed at the contractual rate specified in each loan agreement, is added to the principal balance of the loan and recorded as interest income. To avoid the imposition of corporate-level tax on us, this non-cash source of income needs to be paid out to stockholders in cash distributions or, in the event that we determine to do so and in certain cases, in shares of our common stock, even though we have not yet collected and may never collect the cash relating to the PIK interest. As a result, we may have to distribute a taxable stock dividend to account for PIK interest even though we have not yet collected the cash.

Preferred Stock Risk. To the extent we invest in preferred securities, there are special risks, including:

Deferral. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes although we have not yet received such income.

Subordination. Preferred securities are subordinated to bonds and other debt instruments in a company s capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments.

Liquidity. Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. Government securities.

Limited Voting Rights. Generally, preferred security holders have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer s board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.

Equity Security Risk. We may have exposure to equity securities. Although equity securities have historically generated higher average total returns than fixed-income securities over the long term, equity securities also have experienced significantly more volatility in those returns. The equity securities that we acquire may fail to appreciate and may decline in value or become worthless.

Hedging Transactions. We may employ hedging techniques to minimize currency exchange rate risks or interest rate risks, but we can offer no assurance that such strategies will be effective. If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Additionally, engaging in certain hedging transactions could result in adverse tax consequences, e.g. giving rise to income that does not qualify for the 90% annual gross income requirement applicable to RICs.

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Because our investments are generally not in publicly traded securities, there will be uncertainty regarding the value of our investments, which could adversely affect the determination of our net asset value.

Our portfolio investments will generally not be in publicly traded securities. As a result, although we expect that some of our equity investments may trade on private secondary marketplaces, the fair value of our direct investments in portfolio companies will often not be readily determinable. Under the 1940 Act, investments for which there are no readily available market quotations, including securities that while listed on a private securities exchange have not actively traded, will be valued at fair value as determined 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. In connection with that approval, the board of directors utilizes the services of an independent valuation firm, which prepares valuation reports on a quarterly basis for most of our portfolio investments that are not publicly traded or for which we do not have readily available market quotations, including securities that while listed on a private securities exchange, have not actively traded. However, the board of directors retains ultimate authority as to the appropriate valuation of each such investment. The types of factors that the board of directors takes into account in approving fair value with respect to such non-traded investments includes, as relevant and, to the extent available, the portfolio company s earnings, the markets in which the portfolio company does business, comparison to valuations of publicly traded companies, comparisons to recent sales of comparable companies, the discounted value of the cash flows of the portfolio company and other relevant factors. This information may not be available because it is difficult to obtain financial and other information with respect to private companies, and even where we are able to obtain such information, there can be no assurance that it is complete or accurate. Because such valuations are inherently uncertain and may be based on estimates, our determinations of fair value may differ materially from the values that would be assessed if a readily available market for these securities existed. Due to this uncertainty, our fair value determinations with respect to any non-traded investments we hold may cause our net asset value on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our securities based on an overstated net asset value may pay a higher price than the value of our investments might warrant. Conversely, investors selling securities based on a net asset value that understates the value of our investments may receive a lower price for their securities than the value of our investments might warrant.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non-performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record the values of our investments. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

A portfolio company s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company s ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, even though we or one of our affiliates may have structured our interest in such portfolio company as senior debt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding as equity and subordinate all or a portion of our claim to claims of other creditors.

We may not be in a position to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments.

We do not generally intend to take controlling equity positions in our portfolio companies. To the extent that we do not hold a controlling equity interest in a portfolio company, we are subject to the risk that such portfolio company may make business decisions with which we disagree, and the stockholders and management of such portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity for the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company, and may therefore suffer a decrease in the value of our investments.

In addition, we may not be in a position to control any portfolio company by investing in its debt securities. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such company, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

The portfolio companies we invest in usually have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the debt securities in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

Additionally, certain loans that we make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company s obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company s remaining assets, if any.

The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements, including agreements governing first out and last out structures, that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be in good faith under the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected.

When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make decisions that could decrease the value of our portfolio holdings.

When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investment.

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We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies collateral, if any, will secure the portfolio company s obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors claims against the portfolio company s remaining assets, if any.

There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. For example, we could become subject to a lender's liability claim, if, among other things, we actually render significant managerial assistance.

Our portfolio companies may be highly leveraged.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

Our portfolio companies may prepay loans, which prepayment may reduce stated yields in the future if capital returned cannot be invested in transactions with equal or greater expected yields.

Certain of the loans we make are prepayable at any time, some of them of them at no premium to par. We cannot predict when such loans may be prepaid. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that permit such company to replace existing financing with less expensive capital. As market conditions change frequently, it is unknown when, and if, this may be possible for each portfolio company. In the case of some of these loans, having the loan prepaid early may reduce the achievable yield for the Company in the future below the current yield disclosed for our portfolio if the capital returned cannot be invested in transactions with equal or greater expected yields.

Our failure to make follow-on investments in our portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as follow-on investments in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (3) attempt to preserve or enhance the value of our initial investment.

We may elect not to make follow-on investments or otherwise lack sufficient funds to make those investments. Our failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make such follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, because we are inhibited by compliance with BDC requirements or because we desire to maintain our tax status.

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Our investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates that a portion of our investments may be in securities of foreign companies in order to provide diversification or to complement our U.S. investments, although we are required generally to invest at least 70% of our assets in companies organized and having their principal place of business within the U.S. and its possessions. Accordingly, we may invest on an opportunistic basis in certain non-U.S. companies, including those located in emerging markets, that otherwise meet our investment criteria. In regards to the regulatory requirements for business development companies, some of these investments may not qualify as investments in eligible portfolio companies, and thus may not be considered qualifying assets. Eligible portfolio companies generally include U.S. companies that are not investment companies and that do not have securities listed on a national exchange. If at any time less than 70% of our gross assets are comprised of qualifying assets, including as a result of an increase in the value of any non-qualifying assets or decrease in the value of any qualifying assets, we would generally not be permitted to acquire any additional non-qualifying assets until such time as 70% of our then current gross assets were comprised of qualifying assets. We would not be required, however, to dispose of any non-qualifying assets in such circumstances. In addition, investing in foreign companies, and particularly those in emerging markets, may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. These risks may be more pronounced for portfolio companies located or operating primarily in emerging markets, whose economies, markets and legal systems may be less developed. Further, we may have difficulty enforcing our rights as equity holders in foreign jurisdictions. In addition, to the extent we invest in non-U.S. companies, we may face greater exposure to foreign economic developments.

Although it is anticipated that most of our investments will be denominated in U.S. dollars, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency may change in relation to the U.S. dollar. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk or, that if we do, such strategies will be effective. As a result, a change in currency exchange rates may adversely affect our profitability.

Our investments in the software publishing sector are subject to various risks, including intellectual property infringement issues and rapid technological changes, which may adversely affect our performance. Software publishing is our largest industry concentration. Each industry contains certain industry related credit risks.

General risks of companies in the software publishing industry sector include intellectual property infringement liability issues, the inability to protect software and other proprietary technology, extensive competition and limited barriers to entry. Generally, the market for software products is characterized by rapid technological change, evolving industry standards, changes in customer requirements and frequent new product introduction and enhancements. If a portfolio company in the software publishing sector cannot develop new products and enhance its current products in response to technological changes and competing products, its business and operating results will be negatively affected. In addition, there has been a substantial amount of litigation in the software industry relating to intellectual property rights. Regardless of whether claims that a company is infringing patents or other intellectual property have any merit, these claims are time-consuming and costly. Moreover, a software publishing company must monitor the unauthorized use of its intellectual property, which may be difficult and costly. A company's failure to protect its intellectual property could put it at a disadvantage to its competitors and harm its business, results of operations and financial condition. If a software publishing company in which we invest is unable to navigate these risks, our performance may be adversely affected.

The effect of global climate change may impact the operations of our portfolio companies.

There may be evidence of global climate change. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of

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customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions.

Risks related to our operations as a BDC

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, our Advisor may face conflicts of interests and investments made pursuant to the exemptive order conditions could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us.

Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities or is managed by our Advisor will generally be our affiliate for purposes of the 1940 Act and we are generally prohibited from participating in certain transactions such as co-investing with, or buying or selling any security from or to, such affiliate, absent the prior approval of our independent directors and, in some cases, of the SEC. However, our Advisor and the funds managed by our Advisor have received an exemption from certain SEC regulations prohibiting transactions with affiliates. The exemptive order requires that certain procedures be followed prior to making an investment subject to the order and such procedures could in certain circumstances adversely affect the price paid or received by us or the availability or size of the position purchased or sold by us. Our Advisor may also face conflicts of interest in making investments pursuant to the exemptive order. See Management of the Company — Exemptive Order and Risks related to our business — We have limited operating history as a BDC, and if our Advisor is unable to manage our investments effectively, we may be unable to achieve our investment objective. In addition, our Advisor may face conflicts in allocating investment opportunities between us and certain other entities that could impact our investment returns.

The 1940 Act also prohibits certain joint transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person who owns more than 25% of our voting securities and from or to certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC (other than certain limited situations pursuant to current regulatory guidance). The analysis of whether a particular transaction constitutes a joint transaction requires a review of the relevant facts and circumstances relating to the particular transaction. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates.

Regulations governing our operation as a BDC may limit our ability to, and the way in which we raise additional capital, which could have a material adverse impact on our liquidity, financial condition and results of operations.

Our business may in the future require a substantial amount of capital in addition to the proceeds of these offerings. We may acquire additional capital from the issuance of additional shares of our common stock or from the additional issuance of senior securities (including debt and preferred stock). However, we may not be able to raise additional capital in the future on favorable terms or at all.

Our board of directors may decide to issue common stock to finance our operations rather than issuing debt or other senior securities. As a BDC, we are generally not able to issue our common stock at a price below net asset value without first obtaining required approvals from our stockholders and our independent directors. If our common stock trades at a discount to net asset value, those restrictions could adversely affect our ability to raise equity capital. Except in connection with the exercise of warrants or the conversion of convertible securities, in any such case the price at which our securities are to be issued and sold may not be less than a price, that in the determination of our board of directors, closely approximates the market value of such securities at the relevant time. We may also make rights offerings to our stockholders at prices per share less than the net asset value per share, subject to the requirements of the 1940 Act. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease, and such stockholders may experience dilution.

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We may only issue senior securities up to the maximum amount permitted by the 1940 Act. The 1940 Act permits us to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 200% after such issuance or incurrence. If our assets decline in value and we fail to satisfy this test or any stricter test under the terms of our leverage instruments, we may be required to liquidate a portion of our investments and repay a portion of our indebtedness at a time when such sales or repayment may be disadvantageous, which could have a material adverse impact on our liquidity, financial condition and results of operations.

Changes in the laws or regulations governing our business or the business of our portfolio companies, or changes in the interpretations thereof or newly enacted legislation and regulations, and any failure by us or our portfolio companies to comply with these laws or regulations, could have a material adverse effect on our business, results of operations or financial condition of us or our portfolio companies.

We are subject to changing rules and regulations of federal and state governments, as well as the stock exchange in which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and The Nasdaq Global Select Market, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations.

Changes in the laws or regulations or the interpretations of the laws and regulations that govern BDCs, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including our loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure procedures and other trade practices. If these laws, regulations or decisions change, or if we expand our business into jurisdictions that have adopted more stringent requirements than those in which we currently conduct business, we may have to incur significant expenses in order to comply, or we might have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, we may lose licenses needed for the conduct of our business and may be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, results of operations of financial condition.

If we do not invest a sufficient portion of our assets in qualifying assets, we could be precluded from investing in certain assets or could be required to dispose of certain assets, which could have a material adverse effect on our business, financial condition and results of operations.

As a BDC, we are prohibited from acquiring any assets other than qualifying assets unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. As of December 31, 2016, approximately $224.0 million, or approximately 16.4%, of our adjusted total assets were not qualifying assets. If we do not invest a sufficient portion of our assets in qualifying assets, we will be prohibited from investing in additional non-qualifying assets, which could have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inopportune times in order to come into compliance with the 1940 Act. If we need to dispose of these investments quickly, it may be difficult to dispose of such investments on favorable terms. For example, we may have difficulty in finding a buyer and, even if a buyer is found, we may have to sell the investments at a substantial loss.

We will be subject to corporate-level U.S. federal income tax on all of our income if we are unable to qualify as a RIC under the Code, which would have a material adverse effect on our financial performance.

Although we are currently qualified as a RIC, no assurance can be given that we will be able to maintain RIC status. To maintain RIC status and be relieved of U.S. federal income taxes on income and gains distributed to its stockholders, we generally must meet the annual distribution, source-of-income and asset diversification requirements described below. In addition, our Leverage Program prohibits us from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or the Leverage Program.

To qualify as a RIC under the Code, we generally must meet certain source-of-income, asset diversification and annual distribution requirements. The annual distribution requirement for a RIC is satisfied if we distribute at least 90% of our ordinary income and net short-term capital gain in excess of net long-term capital loss, if any, to our stockholders. Since we use debt financing, we are subject to certain asset coverage ratio requirements and other financial covenants under the terms of the Leverage Program, and we are, in some circumstances, also subject to similar requirements under the 1940 Act. The requirements could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify as a RIC and, thus, may be subject to corporate-level income tax. To qualify as a RIC, we generally must also meet certain asset diversification requirements at the end of each calendar quarter. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because we anticipate that most of our investments will be in private companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses.

If we fail to qualify as a RIC for any reason and become subject to corporate-level income tax, the resulting corporate-level income taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. For additional discussion regarding the tax implications of a RIC, see U.S. Federal Income Tax Matters.

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we may include in income certain amounts that we have not yet received in cash, such as original issue discount, which may arise if we receive warrants in connection with the making of a loan or possibly in other circumstances, or PIK interest, which represents contractual interest added to the loan balance and due in the future, often only at the end of the loan. Such original issue discount, which could be significant relative to our overall investment activities, or increases in loan balances as a result of PIK arrangements are generally included in our taxable income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we do not receive in cash.

Since we may recognize taxable income before or without receiving cash representing such income, if we invest to a substantial extent in non-cash paying debt instruments we may have difficulty meeting the tax requirement to distribute at least 90% of our ordinary income and net short-term capital gain in excess of net long-term capital loss, if any, to maintain our status as a RIC. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements.

There is a risk that you may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this prospectus. Due to the asset coverage test applicable to us under the 1940 Act as a BDC, we may be limited in our ability to make distributions. Additionally, a portion of such distributions may include a return of stockholder capital. Distributions in excess of our current and accumulated earnings and profits are considered nontaxable distributions and serve to reduce the basis of our shares in the hands of the common stockholders rather than being currently taxable. As a result of the reduction of the basis of our shares, common stockholders may incur additional capital gains taxes or may have lower capital losses.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm (when undertaken, as noted below), may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated

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financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors and lenders to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We may experience cyber-security incidents and are subject to cyber-security risks.

Our business operations rely upon secure information technology systems for data processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems could become subject to cyber-attacks. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through hacking or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition.

Cyber-security failures or breaches by our Advisor, any sub-adviser(s) and other service providers (including, but not limited to, accountants, custodians, transfer agents and administrators), and the issuers of securities in which we invest, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with our ability to calculate our net asset value, impediments to trading, the inability of our stockholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While we have established a business continuity plan in the event of, and risk management systems to prevent, such cyberattacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we cannot control the cyber security plans and systems put in place by our service providers and issuers in which we invest. We and our stockholders could be negatively impacted as a result.

The failure in cyber-security systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning could impair our ability to conduct business effectively.

The occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of our managers were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

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We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is dependent on our and third parties communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Risks relating to the offerings pursuant to this prospectus

We may use proceeds of future offerings in a way with which you may not agree.

We will have significant flexibility in applying the proceeds of the offerings and may use the net proceeds from the offerings in ways with which you may not agree, or for purposes other than those contemplated at the time of such offerings. We will also pay operating expenses, and may pay other expenses such as due diligence expenses of potential new investments, from the net proceeds of future offerings. Our ability to achieve our investment objective may be limited to the extent that net proceeds of such offerings, pending full investment, are used to pay expenses rather than to make investments.

We cannot assure you that we will be able to successfully deploy the proceeds of offerings within the timeframe we have contemplated.

We currently anticipate that a portion of the net proceeds of future offerings will be invested in accordance with our investment objective within six to twelve months following completion of any such offering. We cannot assure you, however, that we will be able to locate a sufficient number of suitable investment opportunities to allow us to successfully deploy in that timeframe that portion of net proceeds of such future offerings. To the extent we are unable to invest within our contemplated timeframe after the completion of an offering, our investment income, and in turn our results of operations, will likely be adversely affected.

Our most recent NAV was calculated as of December 31, 2016 and our NAV when calculated as of any date thereafter may be higher or lower.

Our most recent NAV per share is $14.91 determined by us as of December 31, 2016. NAV per share as of March 31, 2017, may be higher or lower than $14.91 based on potential changes in valuations, issuances of securities and earnings for the quarter then ended. Our board of directors has not yet approved the fair value of portfolio investments as of any date subsequent to December 31, 2016. The fair value of our portfolio investments is determined 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 on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from independent valuation firms, our Advisor, the Administrator and the audit committee of our board of directors.

Risks related to our common stock

Shares of our common stock may trade at a discount to our net asset value per share.

Common stock of BDCs, like that of closed-end investment companies, frequently trades at a discount to current net asset value, which could adversely affect the ability to raise capital. In the past, shares of our

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common stock have traded at a discount to our net asset value. The risk that shares of our common stock may continue to trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline.

If we sell shares of our common stock at a discount to our net asset value per share, stockholders who do not participate in such sale will experience immediate dilution in an amount that may be material.

The issuance or sale by us of shares of our common stock at a discount to net asset value poses a risk of dilution to our stockholders. In particular, stockholders who do not purchase additional shares of common stock at or below the discounted price in proportion to their current ownership will experience an immediate decrease in net asset value per share (as well as in the aggregate net asset value of their shares of common stock if they do not participate at all). These stockholders will also experience a disproportionately greater decrease in their participation in our earnings and assets and their voting power than the increase we experience in our assets, potential earning power and voting interests from such issuance or sale. In addition, such sales may adversely affect the price at which our common stock trades. For additional information and hypothetical examples of these risks, see Sales of Common Stock Below Net Asset Value and the prospectus supplement pursuant to which such sale is made.

Your interest in us may be diluted if you do not fully acquire your proportionate share of any warrants, options or other rights to subscribe for, convert to, or purchase our common stock that we sell. In addition, in such circumstances, if the price at which we sell such warrants, options or other rights to subscribe for, convert to, or purchase our common stock, together with the exercise price, is less than our net asset value per share, then you will experience dilution of the net asset value of your shares.

We received authority from our stockholders at our 2013 annual meeting to issue warrants, options or other rights to subscribe for, convert to, or purchase shares of our common stock, which may include convertible preferred stock and convertible debentures. In the event we issue warrants, options or other rights to subscribe for, convert into, or purchase our common stock, stockholders who do not exercise such rights will own a smaller proportional interest in us than would otherwise be the case, thereby diluting the proportionate ownership interest and voting power of such stockholder. We cannot state precisely the amount of any such dilution in share ownership or voting power because we have no current intention of making any such offering and do not know at this time the terms or amount of such rights. The amount of dilution that a stockholder will experience could be substantial and the market price and net asset value per share of our common stock could be adversely affected. Our common stockholders will also indirectly bear the expenses associated with any rights offering we may conduct, regardless of whether they elect to exercise any rights.

In addition, if the price at which we sell such warrants, options or other rights to subscribe for, convert to, or purchase our common stock, together with the exercise price, is less than the net asset value per share of our common stock, then our stockholders who do not acquire their proportionate share of such rights will experience dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any such decrease in net asset value is not predictable because it is not known at this time what the price of the warrants, options or other rights to subscribe for, convert into, or purchase our common stock and net asset value per share will be.

Our common stock price may be volatile and may fluctuate substantially.

As with any stock, the price of our common stock will fluctuate with market conditions and other factors. If you sell shares, the price received may be more or less than the original investment. Net asset value will be reduced immediately following our offering by the amount of the sales load and selling expenses paid by us. At our 2016 annual meeting of stockholders held on May 19, 2016, our stockholders approved our ability, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering, to sell shares of our common stock at any level of discount from net asset value per share during the 12 month period following the date of the meeting. It should be noted that, theoretically, we may offer up to 25% of our then outstanding common stock each day. We are seeking stockholder approval at our 2017 annual meeting to continue for an additional year our ability to issue shares of common stock below net asset value, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to

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25% of our then outstanding common stock immediately prior to each such offering. Our common stock is intended for long-term investors and should not be treated as a trading vehicle. Shares of BDCs and closed-end management investment companies, which are structured similarly to us, frequently trade at a discount from their net asset value. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share of common stock may decline. We cannot predict whether our common stock will trade at, above or below net asset value. This risk of loss associated with this characteristic of BDCs and closed-end management investment companies may be greater for investors who sell their shares in a relatively short period of time after completion of an offering.

The market price of our common stock may fluctuate significantly.

The market price and liquidity of the market for our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in the sector in which we operate, which are not necessarily related to the operating performance of these companies;
- price and volume fluctuations in the overall stock market from time to time;
- changes in law, regulatory policies or tax guidelines, particularly with respect to SBICs, RICs or BDCs;
- our loss of RIC status or TCPC SBIC's loss of SBIC status;
- changes in earnings or variations in operating results;
- changes in the value of our portfolio of investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of key personnel from our Advisor;
- operating performance of companies comparable to us;
- short-selling pressure with respect to shares of our common stock or BDCs generally;
- future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities;
- uncertainty surrounding the strength of the U.S. economic recovery;
- general economic trends and other external factors; and
- loss of a major funding source.

Our credit ratings may not reflect all risks of an investment in our debt securities.

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities. Our debt securities may be rated by a nationally recognized statistical rating organization.

Senior securities, including debt, expose us to additional risks, including the typical risks associated with leverage and could adversely affect our business, financial condition and results of operations.

We currently use our SVCP Facility and TCPC Funding Facility to leverage our portfolio and we expect in the future to borrow from and issue senior debt securities to banks and other lenders.

With certain limited exceptions, as a BDC, we are only allowed to borrow amounts or otherwise issue senior securities such that our asset coverage, as defined in the 1940 Act, is at least 200% after such borrowing or other issuance. The amount of leverage that we employ will depend on our Advisor s and our Board of

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Directors assessment of market conditions and other factors at the time of any proposed borrowing. There is no assurance that a leveraging strategy will be successful. Leverage involves risks and special considerations for stockholders, any of which could adversely affect our business, financial condition and results of operations, including the following:

- A likelihood of greater volatility in the net asset value and market price of our common stock;
- Diminished operating flexibility as a result of asset coverage or investment portfolio composition requirements required by lenders or investors that are more stringent than those imposed by the 1940 Act;
- The possibility that investments will have to be liquidated at less than full value or at inopportune times to comply with debt covenants or to pay interest or dividends on the leverage;
- Increased operating expenses due to the cost of leverage, including issuance and servicing costs;
- Convertible or exchangeable securities may have rights, preferences and privileges more favorable than those of our common stock;
- Subordination to lenders' superior claims on our assets as a result of which lenders will be able to receive proceeds available in the case of our liquidation before any proceeds will be distributed to our stockholders;
- Increased difficulty for us to meet our payment and other obligations under our outstanding debt;
- The occurrence of an event of default if we fail to comply with the financial and/or other restrictive covenants contained in our debt agreements, including the Credit Agreements, which event of default could result in all or some of our debt becoming immediately due and payable;
- Reduced availability of our cash flow to fund investments, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- The risk of increased sensitivity to interest rate increases on our indebtedness with variable interest rates, including borrowings under our Leverage Program; and
- Reduced flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and the general economy.

For example, the amount we may borrow under our SVCP Facility and TCPC Funding Facility is determined, in part, by the fair value of our investments. If the fair value of our investments declines, we may be forced to sell investments at a loss to maintain compliance with our borrowing limits. Other debt facilities we may enter into in the future may contain similar provisions. Any such forced sales would reduce our net asset value and also make it difficult for the net asset value to recover. Our Advisor and our Board of Directors in their best judgment nevertheless may determine to use leverage if they expect that the benefits to our stockholders of maintaining the leveraged position will outweigh the risks.

In addition, our ability to meet our payment and other obligations of the Leverage Program depends on our ability to generate significant cash flow in the future. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under our existing credit facilities or otherwise, in an amount sufficient to enable us to meet our payment obligations any debt we may issue and to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, including sell assets, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under any debt we may issue.

We may in the future determine to fund a portion of our investments with preferred stock, which would magnify the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any

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dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

Holders of any preferred stock we might issue would have the right to elect members of the board of directors and class voting rights on certain matters.

Holders of any preferred stock we might issue, voting separately as a single class, would have the right to elect two members of the board of directors at all times and in the event dividends become two full years in arrears would have the right to elect a majority of the directors until such arrearage is completely eliminated. In addition, preferred stockholders would have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion to open-end status, and accordingly could veto any such changes. Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of our common stock and any preferred stock we might issue, both by the 1940 Act and by requirements imposed by rating agencies or the terms of our credit facilities, might impair our ability to maintain our qualification as a RIC for federal income tax purposes. While we would intend to redeem any such preferred stock to the extent necessary to enable us to distribute our income as required to maintain our qualification as a RIC, there can be no assurance that such actions could be effected in time to meet the tax requirements.

The trading market or market value of any publicly issued debt securities that we may issue may fluctuate.

If we issued public debt securities, such debt securities may or may not have an established trading market. We cannot assure any future noteholders that a trading market for any publicly issued debt securities we may issue will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, our publicly issued debt securities. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;
- the supply of debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

Our potential noteholders should also be aware that there may be a limited number of buyers when they decide to sell their debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect our noteholders return on any debt securities that we may issue.

If our noteholders debt securities are redeemable at our option, we may choose to redeem their debt securities at times when prevailing interest rates are lower than the interest rate paid on their debt securities. In addition, if our noteholders debt securities are subject to mandatory redemption, we may be required to redeem their debt securities also at times when prevailing interest rates are lower than the interest rate paid on their debt securities. In this circumstance, our noteholders may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as their debt securities being redeemed.

There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and investors in our debt securities may not receive all of the interest income to which they are entitled.

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution.

The above-referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Investing in our Securities may involve a high degree of risk and is highly speculative.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be speculative and aggressive, and therefore, an investment in our shares may not be suitable for someone with low risk tolerance.

Common stockholders may experience dilution in their ownership percentage if they do not participate in our dividend reinvestment plan.

Our dividends are generally declared in cash and stockholders must opt in to our dividend reinvestment plan if they want such shares to be automatically reinvested in shares of our common stock. As a result, our stockholders that do not opt in to our dividend reinvestment plan will experience dilution to their ownership percentage of our common stock over time.

Certain provisions of the Delaware General Corporation Law and our certificate of incorporation and bylaws and certain aspects of our structure could deter takeover attempts and have an adverse impact on the price of our common stock.

The Delaware General Corporation Law, our certificate of incorporation and our bylaws contain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price of our common stock.

For example, to convert us to a closed-end or open-end investment company, to merge or consolidate us with any entity or sell all or substantially all of our assets to any entity in a transaction as a result of which the governing documents of the surviving entity do not contain substantially the same anti-takeover provisions as are provided in our certificate of incorporation or to liquidate and dissolve us other than in connection with a qualifying merger, consolidation or sale of assets or to amend certain of the provisions relating to these matters, our certificate of incorporation requires either (i) the favorable vote of a majority of our continuing directors followed by the favorable vote of the holders of a majority of our then outstanding shares of each affected class or series of our shares, voting separately as a class or series or (ii) the favorable vote of at least 80% of the then outstanding shares of our capital stock, voting together as a single class.

In addition, the board of directors of the Operating Company is appointed by different procedures than the board of the Holding Company, which could lead to the boards of directors of the Operating Company and the Holding

Company having different compositions. Such a difference in composition may further hinder or delay an acquisition proposal.

Our stockholders may receive shares of our common stock as dividends, which could result in adverse tax consequences to stockholders.

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

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Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

Future transactions and these offerings may limit our ability to use our capital loss carryforwards.

We have capital loss carryforwards for U.S. federal income tax purposes. Subject to certain limitations, capital loss carryforwards may be used to offset future recognized capital gains. Section 382 of the Code imposes an annual limitation on the ability of a corporation, including a RIC, that undergoes an ownership change to use its capital loss carryforwards. Generally, an ownership change occurs if certain five percent shareholders and public groups increase their ownership in us by 50 percent or more during a three-year period. We do not expect that the offerings will result in an ownership change for Section 382 purposes. However, the offerings will make it more likely that future transactions involving our common stock, including transfers by existing shareholders, could result in such an ownership change. Accordingly, there can be no assurance that an ownership change limiting our ability to use our capital loss carryforwards (and built-in, unrecognized losses, if any) will not occur in the future. Such a limitation would, for any given year, have the effect of potentially increasing the amount of our U.S. federal net capital gains for such year and, hence, the amount of capital gains dividends we would need to distribute to remain a RIC and to avoid U.S. income and excise tax liability.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering we may conduct. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering pursuant to this prospectus, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial.

A trading market or market value of our debt securities may fluctuate.

In the event we issue debt securities, they may or may not have an established trading market. We cannot assure you that a trading market for debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, debt securities we may issue. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;

- the supply of debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

You should also be aware that there may be a limited number of buyers if and when you decide to sell your debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect your return on any debt securities that we may issue.

If your debt securities are redeemable at our option, we may choose to redeem your debt securities at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In addition, if your debt securities are subject to mandatory redemption, we may be required to redeem your debt securities also at times when prevailing interest rates are lower than the interest rate paid on your debt securities. In this circumstance, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as your debt securities being redeemed.

Our credit ratings may not reflect all risks of an investment in our debt securities.

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities.

We may initially invest a portion of the net proceeds of offerings pursuant to this prospectus primarily in high-quality short-term investments, which will generate lower rates of return than those expected from the interest generated on first and second lien senior secured loans and mezzanine debt.

We may initially invest a portion of the net proceeds of offerings pursuant to this prospectus primarily in cash, cash equivalents, U.S. government securities and other high-quality short-term investments. These securities generally earn yields substantially lower than the income that we anticipate receiving once we are fully invested in accordance with our investment objective. As a result, we may not, for a time, be able to achieve our investment objective and/or we may need to, for a time, decrease the amount of any dividend that we may pay to our stockholders to a level that is substantially lower than the level that we expect to pay when the net proceeds of offerings are fully invested in accordance with our investment objective. If we do not realize yields in excess of our expenses, we may incur operating losses and the market price of our shares may decline.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- the introduction, withdrawal, success and timing of business initiatives and strategies;
- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- the relative and absolute investment performance and operations of our Advisor;
- the impact of increased competition;
- the impact of future acquisitions and divestitures;
- the unfavorable resolution of legal proceedings;
- our business prospects and the financial condition and prospects of our portfolio companies;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us, our Advisor or our portfolio companies;
- the ability of our Advisor to identify suitable investments for us and to monitor and administer our investments;
- our contractual arrangements and relationships with third parties;
- any future financings and investments by us;
- the ability of our Advisor to attract and retain highly talented professionals;
- fluctuations in interest rates or foreign currency exchange rates; and
- the impact of changes to tax legislation and, generally, our tax position.

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

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended (the Securities Act) or Section 21E of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act). Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

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USE OF PROCEEDS

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

As of April 27, 2017, we had $0.0 million outstanding under the SVCP Facility, with advances generally bearing interest at LIBOR plus 2.50% per annum, subject to certain limitations. The SVCP Facility matures July 31, 2018, subject to extension by the lender at our request.

As of April 27, 2017, we had $175.0 million outstanding under the TCPC Funding Facility, with advances generally bearing interest at LIBOR plus either 2.25% or 2.50% per annum, subject to certain limitations. The TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at our request.

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

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SENIOR SECURITIES

Information about our senior securities is shown in the following table as of the end of each fiscal year ended since the Company commenced operations. The senior securities table below has been audited by Deloitte & Touche LLP, our independent registered public accounting firm, for the fiscal years ending December 31, 2016 and 2015 and by Ernst & Young LLP, our former independent registered public accounting firm, for each prior fiscal year.

Class and Year	Total Amount Outstanding[(4)]	Asset Coverage Per Unit[(5)]	Involuntary Liquidating Preference Per Unit[(6)]	Average Market Value Per Unit[(7)]
SVCP Facility[(1)]				
Fiscal Year 2016	$ 100,500	$ 4,056	$ —	N/A
Fiscal Year 2015	124,500	3,076	—	N/A
Fiscal Year 2014	70,000	5,356	—	N/A
Fiscal Year 2013	45,000	8,176	—	N/A
Fiscal Year 2012	74,000	7,077	—	N/A
Fiscal Year 2011	29,000	13,803	—	N/A
Fiscal Year 2010	50,000	8,958	—	N/A
Fiscal Year 2009	75,000	5,893	—	N/A
Fiscal Year 2008	34,000	10,525	—	N/A
Fiscal Year 2007	207,000	3,534	—	N/A
Preferred Interests[(2)]				
Fiscal Year 2016	N/A	N/A	N/A	N/A
Fiscal Year 2015	N/A	N/A	N/A	N/A
Fiscal Year 2014	$ 134,000	$ 51,592	$ 20,074	N/A
Fiscal Year 2013	134,000	68,125	20,075	N/A
Fiscal Year 2012	134,000	50,475	20,079	N/A
Fiscal Year 2011	134,000	49,251	20,070	N/A
Fiscal Year 2010	134,000	48,770	20,056	N/A
Fiscal Year 2009	134,000	42,350	20,055	N/A
Fiscal Year 2008	134,000	42,343	20,175	N/A
Fiscal Year 2007	134,000	43,443	20,289	N/A
TCPC Funding Facility[(3)]				
Fiscal Year 2016	$ 175,000	$ 4,056	$ —	N/A
Fiscal Year 2015	229,000	3,076	—	N/A
Fiscal Year 2014	125,000	5,356	—	N/A
Fiscal Year 2013	50,000	8,176	—	N/A
SBA Debentures				
Fiscal Year 2016	$ 61,000	$ 4,056	$ —	N/A

Fiscal Year 2015		42,800		3,076		—	N/A
Fiscal Year 2014		28,000		5,356		—	N/A
2019 Convertible Notes							
Fiscal Year 2016	$	108,000	$	2,352	$	—	N/A
Fiscal Year 2015		108,000		2,429		—	N/A
Fiscal Year 2014		108,000		3,617		—	N/A
2022 Convertible Notes							
Fiscal Year 2016	$	140,000	$	2,352	$	—	N/A

(1) The Operating Company entered into the SVCP Facility, comprised of a fully drawn senior secured term loan and a senior secured revolving credit facility, pursuant to which amounts may currently be drawn up to $116.0 million. The SVCP Facility matures July 31, 2018, subject to extension by the lender at our request.

(2) We repurchased and retired the remaining Preferred Interests on September 3, 2015.

(3) TCPC Funding entered into the TCPC Funding Facility, pursuant to which amounts may currently be drawn up to $350 million. The TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at our request.

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

(5) The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by senior securities representing indebtedness. For the SVCP Facility and TCPC Funding Facility, the asset coverage ratio with respect to indebtedness is multiplied by $1,000 to determine the Asset Coverage Per Unit.

(6) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The — in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(7) Not applicable because our senior securities are not registered for public trading.

PRICE RANGE OF COMMON STOCK

Our common stock began trading on April 5, 2012 and is currently traded on The Nasdaq Global Select Market under the symbol TCPC. The following table lists the high and low closing sale price for our common stock, the closing sale price as a premium (discount) to net asset value, or NAV, and quarterly distributions per share for the last two completed fiscal years and each quarter since the beginning of the current fiscal year.

	NAV(1)	Stock Price High(2)	Stock Price Low(2)	Premium (Discount) of High Sales Price to NAV(3)	Premium (Discount) of Low Sales Price to NAV(3)	Declared Distributions
Fiscal year ended December 31, 2015						
First Quarter	$ 15.03	$ 16.91	$ 15.22	12.5 %	1.3 %	$ 0.36
Second Quarter	$ 15.10	$ 16.49	$ 15.29	9.2 %	1.3 %	$ 0.36
Third Quarter	$ 15.10	$ 15.87	$ 13.50	5.1 %	(10.6)%	$ 0.36
Fourth Quarter	$ 14.78	$ 15.40	$ 13.80	4.2 %	(6.6)%	$ 0.36
Fiscal year ended December 31, 2016						
First Quarter	$ 14.66	$ 14.91	$ 12.36	1.7 %	(15.7)%	$ 0.36
Second Quarter	$ 14.74	$ 15.28	$ 14.21	3.7 %	(3.6)%	$ 0.36
Third Quarter	$ 14.84	$ 16.68	$ 15.35	12.4 %	3.4 %	$ 0.36
Fourth Quarter	$ 14.91	$ 17.11	$ 15.49	14.8 %	3.9 %	$ 0.36
Fiscal year ended December 31, 2017						
First Quarter	$ (4)	$ 17.42	$ 16.36	%(4)	%(4)	$ 0.36
Second Quarter (through April 27, 2017)	$ (4)	$ 17.42	$ 16.84	%(4)	%(4)	(5)

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

(3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.

(4) NAV has not yet been determined.

(5) Dividend has not yet been declared for this period.

On April 27, 2017, the closing price of our common stock was $17.17 per share. As of April 27, 2017, we had 29 stockholders of record.

The table below sets forth each class of our outstanding securities as of April 27, 2017.

Title of Class	Amount Authorized	Amount Held by Registrant or for its Account	Amount Outstanding
Common Stock	200,000,000	—	58,792,047

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RATIO OF EARNINGS TO FIXED CHARGES

For the years ended December 31, 2016, 2015, 2014, 2013 and 2012, the ratios of earnings to fixed charges of the Company, computed as set forth below, were as follows:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
Earnings to Fixed Charges[(1)]	4.1	4.1	4.1	14.2	12.1

For purposes of computing the ratios of earnings to fixed charges, earnings represent net increase in net assets resulting from operations plus (or minus) income tax expense including excise tax expense plus fixed charges. Fixed charges include interest and SVCP Facility and TCPC Funding Facility fees expense and amortization of debt issuance costs.

(1) Earnings include net realized and unrealized gains or losses. Net realized and unrealized gains or losses can vary substantially from year to year. Excluding net realized and unrealized gains or losses, the earnings to fixed charges ratio would be 4.0 for the year ended December 31, 2016, 5.1 for the year ended December 31, 2015, 6.6 for the year ended December 31, 2014, 11.8 for the year ended December 31, 2013 and 17.3 for the year ended December 31, 2012.

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THE COMPANY

The Company

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act. See Prospectus Summary — Company History and BDC Conversion above. Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between $100 million and $1.5 billion. While we primarily focus on privately negotiated investments in debt of middle-market companies, we make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities will benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns.

We have no employees of our own and currently our only business and sole asset is the ownership of all of the common limited partner interests of the Operating Company. Our investment activities are externally managed by our Advisor, a leading investment manager with in excess of $7.1 billion in committed capital under management, approximately 23.5% of which consists of the Company s committed capital under management as of December 31, 2016, and a primary focus on providing financing to middle-market companies as well as small businesses. Additionally, the Holding Company expects that it will continue to seek to qualify as a RIC under Subchapter M of the Code.

On April 22, 2014, TCPC SBIC, a wholly-owned subsidiary of the Operating Company, received an SBIC license from the SBA. Pursuant to an exemptive order under the 1940 Act, we have been granted exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. For example, as of December 31, 2016, we had approximately $1,362.6 million in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us, which would permit us to borrow up to approximately $1,362.6 million, notwithstanding other limitations on our borrowings pursuant to our Leverage Program.

The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting us to borrow up to $150 million more than we would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, will be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we can have more debt outstanding than assets to cover such debt. For example, we will be able to borrow up to $150 million more than the approximately $1,362.6 million permitted under the 200% asset coverage ratio limit as of December 31, 2016. For additional information on SBA regulations that affect our access to SBA-guaranteed debentures, see Risk Factors — Risks Relating to Our Business — TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

The SBIC license allows TCPC SBIC to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with 10-year maturities. The SBA, as a creditor, will have a superior claim to TCPC SBIC s assets over our stockholders in the event we liquidate TCPC SBIC or the SBA exercises its remedies under the SBA-guaranteed debentures issued by TCPC SBIC upon an event of default.

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Investment Portfolio

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. See — Investment Strategy for more information.

The following charts summarize our portfolio mix by industry and type based on the fair value of our investments as of December 31, 2016.

Tennenbaum Capital Partners, LLC

Our investment activities are managed by our Advisor. Our Advisor is a leading investment manager (including specialty lending to middle-market companies). Our Advisor is a Delaware limited liability company and is registered as an investment advisor under the Investment Advisers Act of 1940. As of December 31, 2016, our Advisor had in excess of $7.1 billion in committed capital under management, approximately 23.5% of which consists of the Company s committed capital, and a team of approximately 80 people including investment professionals and other personnel that focus on operations, finance, legal, and compliance, accounting and reporting, investor relations, information technology, and administration. Our Advisor was founded in 1999 by Michael E. Tennenbaum, Mark K. Holdsworth and Howard M. Levkowitz, and its predecessor entity, formed by the same individuals, commenced operations in 1996. Mark K. Holdsworth and Howard M. Levkowitz along with Michael E. Leitner, Philip M. Tseng, Rajneesh Vig, and Lee Landrum constitute our Advisor s active partners (the Advisor Partners). The Advisor Partners have significant industry experience, including experience investing in middle-market companies. Together, the Advisor Partners have invested approximately $18.2 billion in 501 companies since our Advisor s inception, through multiple business and credit cycles, across all segments of the capital structure and through a broad set of credit-oriented strategies including leveraged loan origination, secondary investments of discounted debt securities, and distressed and control opportunities. We believe the Advisor Partners investment perspectives, complementary skills, and collective investment experience provide our Advisor with a strategic and competitive advantage in middle-market investing.

As our investment advisor, our Advisor is responsible for sourcing potential investments, conducting research, analyzing investment opportunities and structuring our investments and monitoring our portfolio companies on an ongoing basis. We believe that our Advisor has a proven long-term track record of positive performance, notwithstanding some periods during which losses were incurred, of sourcing deals, originating loans and successfully investing in middle-market companies, and that the relationships of its investment professionals are integral to our Advisor s success. Our Advisor s investment professionals have long-term working relationships with key sources of investment opportunities and industry expertise, including investment

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bankers, financial advisors, attorneys, private equity sponsors, other senior lenders, high-yield bond specialists, research analysts, accountants, and senior management teams. Additionally, our Advisor s structure includes both a board of advisors and a group of senior executive advisors, a team comprised of approximately 18 current and former executives from a variety of industries, which extends the reach of our Advisor s relationships through a group of seasoned industry leaders and that can enhance our deal sourcing and due diligence activities.

We also benefit from the existing infrastructure and administrative capabilities of an established investment manager. The General Partner, an affiliate of our Advisor, serves as our Administrator and provides us with office space, equipment and office services. The tasks of our Administrator include overseeing our financial records, preparing reports to our stockholders and reports filed with the SEC and generally monitoring the payment of our expenses and the performance of administrative and professional services rendered to us by others.

Since the beginning of 2011, our Advisor has executed over $6.3 billion in direct origination leveraged loans primarily to middle-market companies, of which over $2.3 billion was for our account. There can be no assurance that similar deal flow or terms will be available in the future for loans in which we may invest.

Investment Strategy

To achieve our investment objectives, we intend to focus on a subset of the broader investment strategies historically pursued by our Advisor. Our primary investment focus is the ongoing origination of and investments in leveraged loans of performing middle-market companies, building on our Advisor s established track record of origination and participation in the original syndication of approximately $10.1 billion of leveraged loans to 286 companies since 1999, of which we invested over $2.9 billion in 171 companies. For the purposes of this prospectus, the term leveraged loans refers to senior debt investments that rank ahead of subordinated debt and that generally have the benefit of security interests in the assets of the borrower. Such security interests may provide either a priority claim to the specific collateral securing the investment or a junior claim to such collateral after the holders of the senior claim have been repaid but prior to any payments to holders of unsecured debt.

We anticipate our investments will generally range from $10 million to $50 million per company, the size of which may grow over time in proportion with our capital base. We expect to generate current returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. We often receive equity interests such as preferred or common stock and warrants or options in connection with our debt investments. From time to time we may also use other investment strategies, which are not our primary focus, to attempt to enhance the overall return of our portfolio. These investment strategies may include, but are not limited to, the purchase of discounted debt, opportunistic investments, and financial instruments to hedge currency or interest rate risk associated with our portfolio.

Our typical investments are in performing middle-market companies. We believe that middle-market companies are generally less able to secure financing than larger companies and thus offer better return opportunities for those able to conduct the necessary diligence to appropriately evaluate these companies. We focus primarily on U.S. companies where we believe our Advisor s perspective, complementary skills and investment experience provides us with a competitive advantage and in industries where our Advisor sees an attractive risk reward profile due to macroeconomic trends and our Advisor s existing industry expertise.

Our Competitive Advantages

We believe that we possess the following competitive advantages over other capital providers to middle-market companies:

Focus on minimizing the risk of loss and achieving attractive risk-adjusted returns. We primarily structure investments to attempt to achieve high cash yields, cash origination fees, conservative leverage, and strong contractual protections that reduce the risk of principal loss. Contractual protections may include default premiums, information rights, board governance rights, and affirmative, negative and financial covenants, such as lien protection and prohibitions against change of control. While we do not expect to undertake a material focus on distressed investments, we believe that our Advisor s experience in distressed investing from managing other funds helps us negotiate more favorable terms and provides greater opportunity to achieve principal protection. See — Investment Strategy.

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Diverse in-house skills and experience of our Advisor. Our Advisor s principals and professionals have diverse and complementary backgrounds, including prior experience at private investment funds, investment banks, other financial services firms, and managing companies. We believe that the diverse professional experience of our Advisor s principals and professionals gives us an advantage in sourcing, evaluating, structuring, negotiating, closing, and profitably exiting investments. Our Advisor s advantages include:

- Significant investment expertise in over 30 different industry sectors;
- Track record of leveraged loan originations or participations in original syndications of approximately $10.1 billion to 286 companies since 1999, of which we invested over $2.9 billion in 171 companies;
- Extensive workout and restructuring capabilities honed in multiple in- and out-of-court transactions which allows us to maximize our investment returns and minimize the risk of loss;
- In-house legal expertise with significant experience protecting creditor rights;
- Complementary bottom-up and top-down (macroeconomic) expertise; and
- Expertise in analyzing highly complex companies and investments.

Consistent, proactive and rigorous investment and monitoring processes. We believe that our Advisor employs a proven investment process that integrates intensive bottom-up company-level research and analysis with a proactive top-down view of macroeconomic and industry risks and opportunities. The heart of the process is a thorough analysis of the underlying issuer s business, end markets, competitors, suppliers, revenues, costs, financial statements, and the terms of the issuer s existing obligations, including contingent liabilities (if any). Our Advisor s professionals supplement in-house expertise with industry experts, including our Advisor s Board of Advisors and Senior Executive Advisors, as well as other CEO/CFO-level executives, with direct management experience in the industries under consideration. These company level analyses are undertaken in the context of and supplemented by our Advisor s views on and understanding of industry trends and broader economic conditions. These views are formulated and refined through our Advisor s systematic quarterly macroeconomic reviews and quarterly industry reviews, where long-term and immediate macroeconomic trends and their impact on industry risk/reward characteristics are determined. These views flow through to our Advisor s proactive deployment of research and capital resources in the investment process. Quarterly portfolio reviews also help to inform our Advisor s macroeconomic and industry views as well as to inform reporting of deal teams frequent monitoring of portfolio company progress, risk assessment, and refinement of exit plans.

Focus on established middle-market companies. We generally invest in companies with established market positions, seasoned management teams, proven and differentiated products and services and strong regional or national operations. We believe that these companies possess better risk-adjusted return profiles than newer companies that are building management or in early stages of building a revenue base. As a specialty middle-market lender, through our Advisor we have proven experience structuring financing for middle-market companies and meeting their specialized needs. We believe that there are fewer experienced finance companies focused on transactions involving small and middle-market companies than larger companies, allowing us to negotiate favorable investment terms, including higher yields, more significant covenant protection, and greater equity grants than typical of transactions involving larger companies. Additionally, we believe that middle-market companies offer significant risk-adjusted return advantages over larger companies as they are generally less able to secure financing compared to larger companies and, we believe, are more likely as borrowers to be subject to upfront fees, prepayment premiums and higher interest rates.

Debt platform with multiple deal sourcing channels. The employees of our Advisor have developed extensive networks among investment bankers, financial advisors, attorneys, private equity sponsors, other senior lenders, high-yield bond specialists, research analysts, accountants, and senior management teams. These networks are a valuable source of directly originated deals and are further supplemented by the networks and experiences of our Advisor s Board of Advisors and Senior Executive Advisors. Additionally, our Advisor s track record as a provider of middle-market financing means that it is often the first or an early call on new deal opportunities. Since inception, our

Advisor has originated or participated in the original syndication of approximately $10.1 billion of newly issued loans to 286 companies since 1999, of which we invested over

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$2.9 billion in 171 companies. Our Advisor is well known as a lender to middle-market companies in a variety of contexts including stressed, distressed, and complex and special situations. Our Advisor s in-depth industry knowledge and ability to diligence complex situations thoroughly and in a timely fashion helps to attract deal opportunities from multiple channels.

Attractively priced leverage program. We believe that the Leverage Program, combined with capital from recent monetizations, provides us with a substantial amount of capital for deployment into new investment opportunities on relatively favorable terms. Our Leverage Program is comprised of $216.5 million in available debt under the SVCP Facility, which is comprised of the SVCP Revolver and the Term Loan, $350.0 million in available debt under the TCPC Funding Facility, $108.0 million in 2019 Convertible Notes, $140.0 million in 2022 Convertible Notes and $150.0 million in committed leverage from the SBA 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 SVCP Facility matures on July 31, 2018 and 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) through July 31, 2014. 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 TCPC Funding Facility matures on April 26, 2021, subject to extension by the lender at the request of TCPC Funding, and contains an accordion feature which allows for expansion of the facility up to $400.0 million subject to consent from the lender and other customary conditions. 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 33.0% of the total facility, plus an administrative fee of 0.25% per annum. 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, TCPC Funding Facility and the SBA Program. 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. 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, TCPC Funding Facility and the SBA Program. 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. For the purpose of the SVCP Facility and TCPC Funding Facility, LIBOR means the one-month U.S. dollar deposits which appears on the Telerate Page 3750 as of 11:00 a.m. (London time) on the date the rate is to be determined or as otherwise may be determined pursuant to the SVCP Facility and TCPC Funding Facility if such rate does not appear on the Telerate Page 3750. The weighted-average financing rate on the Leverage Program at December 31, 2016 was 3.95%.

Market opportunity

We believe that our Advisor has a consistent, non-cyclical track record of finding profitable opportunities to lend its managed assets to middle-market companies under most market conditions. However, we believe that the current environment for direct lending to middle-market companies is especially attractive for several reasons that include:

Reduced lending to middle-market companies by commercial banks. Recent regulatory changes, including the Dodd-Frank Financial Reform Act, or the Dodd-Frank Act, and the introduction of new international capital and liquidity requirements under the Basel III Accords, or Basel III, in addition to the continued ownership of legacy non-performing assets have significantly curtailed banks lending capacity. In

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response, we believe that many commercial lenders have de-emphasized their service and product offerings to middle-market companies in favor of lending, managing capital markets transactions and providing other non-credit services to their larger customers. We expect bank lending to middle-market companies to continue to be constrained for several years as Basel III rules phase in and rules and regulations are promulgated and interpreted under the Dodd-Frank Act.

Reduced credit supply to middle-market companies from non-bank lenders. We believe credit to middle-market companies from non-bank lenders will also be constrained as many of those lenders have either gone out of business, exited the market, or are winding down. Numerous hedge funds previously active in leveraged loans disappeared or contracted during the recent financial market crises, while others exited the lending market due to asset-liability mismatches. Other non-bank lenders exited lending due to balance sheet pressures. This situation provides a promising environment in which to originate loans to middle-market companies. We cannot, however, provide any assurance as to the length of time this tight credit supply will persist.

Middle-market companies are increasingly seeking lenders with access to permanent capital for debt and equity capital. We believe that many middle-market companies prefer to borrow from capital providers like us, rather than execute high-yield bond or equity transactions in the public markets that may necessitate increased financial and regulatory compliance and reporting obligations. Further, we believe many middle-market companies are inclined to seek capital from a small number of providers with access to permanent capital that can satisfy their specific needs and can serve as value-added, long-term financial partners with an understanding of the companies growth needs.

Attractive Pricing and Conservative Deal Structures. We believe that reduced access to, and availability of, debt capital provides attractive loan pricing for middle-market lenders. Terms often include meaningful upfront fees, prepayment protections and, in some cases, warrants, all of which should enhance profitability to lenders.

Investment Process

Our Advisor s investment process is designed to maximize its strategic advantages: a strong brand name as a specialty lender to the middle-market, and diverse in-house expertise and skills. Our Advisor seeks out opportunities by conducting a rigorous and disciplined investment process that combines the following characteristics:

Deal Sourcing

As a leading middle-market corporate debt investment manager with an over 17-year history and in excess of $7.1 billion in capital commitments as of December 31, 2016, approximately 23.5% of which consists of the Company s committed capital, the Advisor is active in new deal financing opportunities in the middle-market segment. However, we believe that the Advisor s real deal flow advantage comes from the proprietary network of established relationships of its investment professionals and synergies among its professionals and portfolio companies. Members of the Advisor s Investment Committee for the Company, or the Investment Committee, have long-term relationships with deal sources including investment bankers, restructuring professionals, bankruptcy attorneys, senior lenders, high yield bond specialists, research analysts, accountants, fund management teams, the Advisor s advisory board, senior executive advisors, board members of former clients, former colleagues and other operating professionals to facilitate deal flow. The Investment Committee is currently comprised of five voting members (Mark K. Holdsworth, Michael Leitner, Howard M. Levkowitz, Philip M. Tseng and Rajneesh Vig). In total, the Investment Committee consists of approximately 30 members from our Advisor. The number of voting and non-voting members of the Investment Committee is subject to increase or decrease in the sole discretion of the Advisor. All members of the Investment Committee attend investment meetings and are encouraged to participate in discussions. In addition, members of the Investment Committee have relationships with other investors, including insurance companies, bond funds, mezzanine funds, private equity funds, hedge funds and other funds which invest in similar assets. Further, the Advisor regularly calls on both active and recently retired senior executives from the relevant industries to assist with the due diligence of potential investments. Historically, these relationships with retired senior executives have also been a valuable source of transactions and information. The Advisor anticipates that they will continue to provide future opportunities. We believe the Advisor s strong relationships with its portfolio companies facilitate positive

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word-of-mouth recommendations to other companies seeking the Advisor s expertise. The Advisor s relationships often result in the ability to access investment opportunities earlier than many of its competitors and in some cases an exclusive basis.

Due Diligence Process

The foundation of the Advisor s investment process is intensive investment research and analysis by its experienced staff of investment professionals. The Advisor s senior professionals have worked together for numerous years and we believe that they have a superior level of credit investing knowledge relative to other credit investors. The Advisor supplements its in-house knowledge with industry experts, including CEO/CFO-level executives, with direct management experience in the industries under consideration. The Advisor prefers these industry experts to consultants because of the practical business advice that comes from having managed businesses. The Advisor rigorously and comprehensively analyzes issuers of securities of interest. The process includes a quantitative and qualitative assessment of the issuer s business, an evaluation of its management, an analysis of the business strategy and industry trends, and an in-depth examination of the company s capital structure, financial results and projections. The Advisor s due diligence process includes:

- an assessment of the outlook for the industry and general macroeconomic trends;
- discussions with issuer management and other industry executives, including the assessment of management/board strengths and weaknesses;
- an analysis of the fundamental asset values and the enterprise value of the issuer;
- review of the issuer’s key assets, core competencies, competitive advantages, historical and projected financial statements, capitalization, financial flexibility, debt amortization requirements, and tax, environmental, legal and regulatory contingencies;
- review of the issuer’s existing credit documents, including credit agreements, indentures, intercreditor agreements, and security agreements; and
- review of documents governing the issuer, including charter, by-laws, and key contracts.

Structuring Originations

As an early non-bank participant in the leveraged loan market, we believe that loan origination is a core competency of the Advisor. Supplementing industry deal teams experience and competency, the Advisor has a number of professionals with legal experience, including significant experience in bankruptcy and secured credit. Deal teams work with the Advisor s in-house legal specialists and outside counsel to structure over-collateralized loans with what we believe to be strong creditor protections and contractual controls over borrower operations. In many cases, the Advisor works to obtain contractual governance rights and board observer seats to protect principal and maximize post-investment returns. Deals usually include original issue discount upfront fees, exit fees and/or equity participations through warrants or direct equity stakes.

Trading and Secondary Market Purchases

A key element in maximizing investment returns in secondary purchases is buying and selling investments at the best available prices. The Advisor has a dedicated trading staff for both the highly specialized traded loan market and for high-yield bonds. Through its trading operations, the Advisor maintains its established relationships with a network of broker-dealers in the debt securities markets. These relationships provide the Advisor with access to the trading dynamics of existing or potential investments and assist it in effectively executing transactions. These relationships may also lead to the early identification of potential investment opportunities for the Company.

Portfolio Management & Monitoring

Our Advisor actively monitors the financial performance of its portfolio companies and market developments. This constant monitoring permits our Advisor to update position risk assessments, seek to address potential problems early, refine exit plans, and make follow-on investment decisions quickly. We view active portfolio monitoring as a vital part of our investment process.

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We consider board observation and information rights, regular dialogue with company management and sponsors, and detailed internally generated monitoring reports to be critical to our performance. We have developed a monitoring template that seeks to ensure compliance with these standards and that is used as a tool by the Investment Committee to assess investment performance relative to plan.

- Deal teams maintain contact with portfolio company management through regularly scheduled and ad hoc conference calls and onsite visits.
- Deal teams review portfolio company progress relative to plan and pre-determined performance benchmarks.
- Adverse or unexpected developments, as well as consequential routine updates, are reported to the Investment Committee and thoroughly discussed at regularly scheduled weekly meetings. If merited, the Investment Committee will hold ad hoc meetings as necessary to address urgent issues.
- Deal teams, with Investment Committee approval, encourage portfolio company managers to catalyze events to monetize holdings for greater return, or where needed, take corrective actions to address shortfalls to plan or benchmarks.
- All existing portfolio holdings are formally reviewed in detail by the entire Investment Committee once per quarter at the Advisor's quarterly portfolio review.

Investment Committee and Decision Process

Our Advisor s investment process is organized around the Investment Committee that provides for a centralized, repeatable decision process. The Investment Committee meets weekly and, with respect to each fund advised by our Advisor, certain members of the Investment Committee are voting members. The voting members of the Investment Committee for the Company are currently Mark K. Holdsworth, Michael E. Leitner, Howard M. Levkowitz, Philip M. Tseng and Rajneesh Vig. Approval by a simple majority vote of the voting members of the Investment Committee for each respective fund is required for the purchase or sale of any investment, with certain de-minimis exceptions. No voting member has veto power. The Advisor s investment process is designed to maximize risk-adjusted returns and preserve downside protection.

Investment Structure

Once we determine that a prospective portfolio company is suitable for a direct investment, we work with the management of that company and its other capital providers, including senior and junior lenders, and equity holders, to structure an investment. We negotiate among these parties to agree on how our investment is expected to be structured relative to the other capital in the portfolio company s capital structure.

Leveraged Loans

We structure our investments primarily as secured leveraged loans. Leveraged loans are generally senior debt instruments that rank ahead of subordinated debt of the portfolio company. Leveraged loans generally have the benefit of security interests on the assets of the portfolio company, which may rank ahead of, or be junior to, other security interests.

High-Yield Securities

The Company s portfolio currently includes high-yield securities and the Company may invest in high-yield securities in the future. High-yield securities have historically experienced greater default rates than has been the case for investment grade securities and are generally rated below investment grade by one or more nationally recognized statistical rating organizations or will be unrated but of comparable credit quality to obligations rated below investment grade, and have greater credit and liquidity risk than more highly rated obligations. High-yield securities are generally unsecured and may be subordinate to other obligations of the obligor and are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. The Company s portfolio may also include mezzanine investments which are generally unsecured and rated below investment grade. Mezzanine investments of the type in which the Company invests in are primarily privately negotiated subordinated debt securities often issued in connection with leveraged transactions, such as management buyouts, acquisitions,

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re-financings, recapitalizations and later stage growth capital financings, and are generally accompanied by related equity participation features such as options, warrants, preferred and common stock. In some cases, our debt investments may provide for a portion of the interest payable to be paid-in-kind interest. To the extent interest is paid-in-kind, it will be payable through the increase of the principal amount of the obligation by the amount of interest due on the then-outstanding aggregate principal amount of such obligation.

Warrants, Options and Minority Equity

In some cases, we will also receive nominally priced warrants or options to buy a minority equity interest in the portfolio company in connection with a loan. As a result, if a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We may structure such warrants to include provisions protecting our rights as a minority-interest holder, as well as a put, or right to sell such securities back to the issuer, upon the occurrence of specified events. In many cases, we may also seek to obtain registration rights in connection with these equity interests, which may include demand and piggyback registration rights.

Distressed Debt

The Company s portfolio currently includes distressed debt investments and the Company is authorized to continue to invest in the securities and other obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. As of December 31, 2016, two of the Company s debt investments were in non-accrual status, representing 0.3% of the Company s total assets. Such debt investments were largely acquired through secondary market purchases and often led to the receipt of additional equity positions as part of in- or out-of-court debt-for-equity exchanges. The Company does not anticipate distressed debt to be a significant part of its ongoing investment strategy. Such investments generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Opportunistic Investments

Opportunistic investments may include, but are not limited to, investments in debt securities of all kinds and at all levels of the capital structure and may include equity securities of public companies that are not thinly traded, emerging market debt, structured finance vehicles such as CLO funds and debt of middle-market companies located outside the United States. We do not intend such investments to be our primary focus.

We tailor the terms of each investment to the facts and circumstances of the transaction and the prospective portfolio company, negotiating a structure that protects our rights and manages our risk while creating incentives for the portfolio company to achieve its business plan and improve its operating results. We seek to limit the downside potential of our investments by:

- requiring a total return on our investments (including both interest and potential equity appreciation) that we believe will compensate us appropriately for credit risk;
- negotiating covenants in connection with our investments that afford our portfolio companies as much flexibility in managing their businesses as possible, consistent with the preservation of our capital. Such restrictions may include affirmative and negative covenants, default penalties, lien protection, change of control provisions and board rights, including either observation or rights to a seat on the board of directors under some circumstances; and
- selecting investments that we believe have a very low probability of loss.

We expect to hold most of our investments to maturity or repayment, but we may sell some of our investments earlier if a liquidity event occurs, such as a sale, recapitalization or worsening of the credit quality of the portfolio company.

Managerial assistance

As a BDC, we offer, and must provide upon request, managerial assistance to certain of our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio

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companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. We may receive fees for these services and will reimburse the General Partner as our Administrator for its allocated costs in providing such assistance subject to review and approval by our board of directors. The Advisor will provide such managerial assistance on our behalf to portfolio companies that request this assistance.

Competition

Our primary competitors to provide financing to middle-market companies include public and private funds, commercial and investment banks, commercial finance companies and private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial and marketing resources than we do. For example, some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our favorable RIC tax status.

Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are currently located at 2951 28th Street, Suite 1000, Santa Monica, CA 90405. The Advisor furnishes us office space and we reimburse it for such costs on an allocated basis.

Legal Proceedings

From time to time, in the normal course of business, we, the Operating Company, the General Partner and the Advisor are party to certain lawsuits. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of any such open legal proceedings cannot at this time be predicted with certainty, we do not expect these matters will have a material adverse impact on the financial condition or results of operations of the Holding Company, the Operating Company, the General Partner or our Advisor.

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

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

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 (TCPC 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 TCPC SBIC. The equity interests in the General Partner are owned directly by the Advisor. TCPC SBIC was organized as a Delaware limited partnership in June 2013. On April 22, 2014, TCPC 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 TCPC 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.

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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 December 31, 2016, 83.6% 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 TCPC 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;

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- 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).

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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

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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 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 year ended December 31, 2016, we invested approximately $587.2 million, comprised of new investments in 28 new and 19 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 95.6% were in senior secured debt comprised of senior loans ($506.1 million, or 86.2% of total acquisitions) and senior secured notes ($55.0 million, or 9.4% of total acquisitions). The remaining $26.1 million (4.4% of total acquisitions) were comprised of $23.5 million in equity

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interests in two portfolios of debt and lease assets, as well as $2.6 million in two warrant positions and two preferred stock positions received in connection with debt investments. Additionally, we received approximately $473.5 million in proceeds from sales or repayments of investments during the year ended December 31, 2016.

During the year ended December 31, 2015, we invested approximately $500.9 million, comprised of new investments in 23 new and 26 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.7% were in senior secured debt comprised of senior loans ($437.9 million, or 87.4% of the total) and senior secured notes ($51.6 million, or 10.3% of the total). The remaining $11.4 million (2.3% of the total) were comprised of nine equity investments which were received in connection with debt investments made during the period. Additionally, we received approximately $456.1 million in proceeds from sales or repayments of investments during the year ended December 31, 2015.

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.

At December 31, 2015, our investment portfolio of $1,182.9 million (at fair value) consisted of 88 portfolio companies and was invested 95.5% in debt investments, of which 99.9% was in senior secured debt and 0.1% in unsecured and subordinated debt. In aggregate, our investment portfolio was invested 81.5% in senior secured loans, 14.0% in senior secured notes, 0.1% in unsecured and subordinated debt, and 4.4% in equity investments. Our average portfolio company investment at fair value was approximately $13.4 million. Our largest portfolio company investment by value was approximately $43.3 million and our five largest portfolio company investments by value comprised approximately 15.7% of our portfolio at December 31, 2015.

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The industry composition of our portfolio at fair value at December 31, 2016 was as follows:

Industry	Percent of Total Investments
Software Publishing	16.5 %
Nondepository Credit Intermediation	9.3 %
Computer Systems Design and Related Services	6.3 %
Other Information Services	5.7 %
Business Support Services	4.3 %
Retail	4.0 %
Wired Telecommunications Carriers	3.1 %
Air Transportation	3.0 %
Chemicals	2.9 %
Equipment Leasing	2.9 %
Insurance	2.7 %
Scientific Research and Development Services	2.7 %
Financial Investment Activities	2.4 %
Textile Furnishings Mills	2.3 %
Utility System Construction	2.0 %
Activities Related to Credit Intermediation	1.9 %
Other Manufacturing	1.9 %
Hospitals	1.8 %
Management, Scientific, and Technical Consulting Services	1.8 %
Amusement and Recreation	1.7 %
Apparel Manufacturing	1.7 %
Communications Equipment Manufacturing	1.6 %
Other Publishing	1.6 %
Radio and Television Broadcasting	1.6 %
Wholesalers	1.6 %
Lessors of Nonfinancial Licenses	1.5 %
Electronic Component Manufacturing	1.3 %
Restaurants	1.3 %
Advertising and Public Relations Services	1.1 %
Building Equipment Contractors	1.1 %
Activities Related to Real Estate	1.0 %
Other	5.4 %
Total	**100.0 %**

The weighted average effective yield of the debt securities in our portfolio was 10.92% at December 31, 2016 and 10.95% at December 31, 2015. 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. At December 31, 2015, 80.4% 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 19.6% 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 77.9% at December 31, 2015.

Results of operations

Investment income

Investment income totaled $148.2 million, $146.9 million and $106.6 million, respectively, for the years ended December 31, 2016, 2015 and 2014, of which $145.0 million, $142.0 million and $100.9 million were attributable to interest and fees on our debt investments, $0.0 million, $0.0 million and $2.0 million to dividends from equity securities, $1.6 million, $1.4 million and $1.3 million to lease income and $1.6 million, $3.5 million and $2.4 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 $10.6 million, $12.5 million and $3.1 million of non-recurring income related to prepayments for the years ended December 31, 2016, 2015 and 2014, respectively. The increase in investment income in the year ended December 31, 2016 compared to the year ended December 31, 2015 reflects an increase in interest income due to the larger portfolio size and an increase in lease income in the year ended December 31, 2016 compared to the year ended December 31, 2015, partially offset by a decrease in other income. The increase in investment income in the year ended December 31, 2015 compared to the year ended December 31, 2014 reflects an increase in interest income due to the larger investment portfolio during the year ended December 31, 2015 compared to the year ended December 31, 2014 and an increase in other income primarily due to higher amendment, restructuring and commitment fees received during the year ended December 31, 2015, partially offset by a decrease in dividend income.

Expenses

Total operating expenses for the years ended December 31, 2016, 2015 and 2014 were $52.3 million, $45.5 million and $28.5 million, respectively, comprised of $25.2 million, $18.9 million and $9.8 million in interest expense and related fees, $18.9 million, $18.6 million and $13.6 million in base management fees, $2.3 million, $2.8 million $1.4 million in legal and professional fees, $1.7 million, $1.6 million and $1.4 million in administrative expenses, and $4.2 million, $3.6 million and $2.3 million in other expenses, respectively. The increase in expenses in the year ended December 31, 2016 compared to the year ended December 31, 2015 primarily reflects the increase in interest expense and other costs related to the increase in available and outstanding debt, including the conversion of the Preferred Interests to term debt, as well as the higher average interest rate following the issuance of the 2022 Convertible Notes and the increase in LIBOR rates, as well as $1.3 million in non-recurring legal costs incurred in 2016. The increase in expenses in the year ended December 31, 2015 compared to the year ended December 31, 2014 primarily reflects the increase in management fees due to the larger portfolio and the increase in interest and other debt expenses related to the increase in available and outstanding debt.

Net investment income

Net investment income was $95.3 million, $100.5 million and $77.3 million, respectively, for the years ended December 31, 2016, 2015 and 2014. The decrease in net investment income in the year ended December 31, 2016 compared to the year ended December 31, 2015 primarily reflects the increase in expenses, partially offset by the increase in investment income in the year ended December 31, 2016. The increase in net investment income in the year ended December 31, 2015 compared to the year ended December 31, 2014 primarily reflects the increased interest income in the year ended December 31, 2015, partially offset by the increase in expenses.

Net realized and unrealized gain or loss

Net realized losses for the years ended December 31, 2016, 2015 and 2014 were $15.0 million, $17.7 million and $21.1 million, respectively. Net realized losses during the year ended December 31, 2016 were comprised primarily of a $12.6 million realization on the restructuring of our loan to CORE Entertainment, Inc. and a $3.0 million loss due to the taxable reorganization of our investment in Boomerang Tube, LLC. Substantially all of the loss on CORE Entertainment, Inc. had been recognized on an unrealized basis in prior years.

Net realized losses during the year ended December 31, 2015 were comprised primarily of $10.6 million in losses due the restructure of our loan to Edmentum, in which we received debt and equity in a de-levered company, and a $12.4 million loss on our loan to Marsico Capital Management which was part of our pre-IPO legacy distressed debt strategy and generated substantial cash interest income. These losses were partially offset by a $5.9 million gain on the partial disposition of our investment in NEXTracker.

Net realized losses during the year ended December 31, 2014 were primarily due the exit of two investments. We realized a loss of $11.5 million from Doral Financial Corp, an investment acquired as part of our legacy strategy. The loss recognition had a de minimis impact on net asset value as the loss was previously included in unrealized losses at the beginning of the year. Additionally, we realized a $5.2 million loss on Real Mex Holdco, LLC. This investment was initially acquired as part of our legacy distressed debt strategy. The overall Real Mex investment has generated substantial cash interest income.

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For the years ended December 31, 2016, 2015 and 2014, the change in net unrealized appreciation/depreciation was $15.1 million, $(4.7) million and $(6.2) million, respectively. The change in net unrealized appreciation for the year ended December 31, 2016 was comprised primarily of realization of the previously recognized unrealized losses on CORE Entertainment, Inc., plus a $5.9 million gain on Securus Technologies, Inc. and a $4.7 million gain on Soasta, Inc. These gains were partially offset by a $(5.1) million unrealized loss on Iracore.

The change in net unrealized depreciation for the year ended December 31, 2015 was comprised primarily of $(9.7) million in CORE Entertainment, Inc., $(5.9) million in Securus Technologies, Inc. and $(2.7) million in RM OpCo, LLC as well as other mark to market adjustments resulting from market yield spreads during the period. These losses were partially offset by a $6.2 million gain from AGY Holding Corp. and a $2.3 million gain from NEXTracker and reversals of prior period net unrealized depreciation for the year ended December 31, 2015.

The change in net unrealized depreciation for the year ended December 31, 2014 was primarily a result of unrealized losses on two investments which performed below expectations, Edmentum ($10.4 million) and Iracore ($6.2 million), partially offset by a $10.9 million reversal of the prior unrealized loss on the Doral investment.

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. For the years ended December 31, 2016, 2015, and 2014, excise tax expenses of $0.6 million, $0.9 million and $0.8 million were recorded, respectively, based on the amount of tax basis ordinary income carried forward at the respective year end.

Gain on repurchase of Series A preferred interests

Gains on the repurchase of Series A preferred interests for the years ended December 31, 2016, 2015 and 2014 were $0.0 million, $1.7 million and $0.0 million, respectively. The gain on repurchase of Series A preferred interests during the year ended December 31, 2015 was due to the repurchase of 1,675 Preferred Interests on June 30, 2015 at a price of $31.8 million.

Dividends to preferred equity holders

Dividends on the Preferred Interests for the years ended December 31, 2016, 2015 and 2014 were $0.0 million, $0.8 million and $1.4 million, respectively. The decrease in dividends on Preferred Interests during the year ended December 31, 2016 compared to the year ended December 31, 2015 was due to the repurchase and retirement of all remaining Preferred Interests during 2015. The decrease in dividends on Preferred Interests for the year ended December 31, 2015 compared to the year ended December 31, 2014 was due to the repurchase of the 1,675 Preferred Interests on June 30, 2015 and the repurchase and retirement of all remaining Preferred Interests on September 3, 2015.

Incentive compensation

Incentive compensation distributable to the General Partner for the years ended December 31, 2016, 2015 and 2014 was $19.1 million, $19.9 million and $15.2 million, respectively. Incentive compensation for the years ended December 31, 2016, 2015 and 2014 was distributable due to our performance exceeding the total return threshold. The change in reserve for incentive compensation to the General Partner for the years ended

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December 31, 2016, 2015 and 2014 was $0.0 million, $0.0 million and $(1.2) million, respectively. The change in reserve for incentive compensation represents the change in the amount of additional incentive compensation which would have been distributed to the General Partner had we liquidated at net asset value at the respective period end.

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

The net increase in net assets resulting from operations was $76.3 million, $59.1 million and $34.5 million for the years ended December 31, 2016, 2015 and 2014, respectively. The higher net increase in net assets applicable to common shareholders resulting from operations during the year ended December 31, 2016 is primarily due to the net realized and unrealized gains during the year ended December 31, 2016 compared to the net realized and unrealized losses during the year ended December 31, 2015. The higher net increase in net assets resulting from operations during the year ended December 31, 2015 compared to the year ended December 31, 2014 is primarily due to the higher net investment income and the smaller net realized and unrealized loss during the year ended December 31, 2015 compared to the year ended December 31, 2014.

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 year ended December 31, 2016.

	Shares Issued	Price Per Share	Net Proceeds
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.

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, 2015.

	Shares Issued	Price Per Share	Net Proceeds

At-the-market offerings	248,614	$ 15.87 *	$ 3,946,066
Shares issued from dividend reinvestment plan	555	14.62 *	8,116

*Weighted-average price per share.

On October 3, 2014, we entered into an at-the-market equity offering program (the ATM Program) with Raymond James & Associates Inc. 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

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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 November 2, 2016, to be in effect through the earlier of two trading days after our fourth quarter 2016 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. 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:

	Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan	141,896	$ 13.25 *	$ 1,879,548

*Weighted-average price per share

Total leverage outstanding and available under the combined Leverage Program at December 31, 2016 were as follows:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
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%

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 TCPC 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 year ended December 31, 2016 was $46.1 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of $107.4 million, partially offset by net investment income less incentive allocation (net of non-cash income and expenses) of approximately $61.3 million.

Net cash provided by financing activities was $64.0 million during the year ended December 31, 2016, consisting primarily of $140.0 million from the issuance of the 2022 Convertible Notes, $35.0 million of net proceeds from the registered direct public offering of our common stock on July 13, 2016, $30.0 million from proceeds from the issuance of the CNO Note (which was subsequently converted to common equity), reduced by the $74.0 million in regular dividends on common equity, $59.8 million of net repayments of debt, payment of $5.3 million in debt issuance costs, and $1.9 million in common shares repurchases.

At December 31, 2016, we had $53.6 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 December 31, 2016, 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.

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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 years ended December 31, 2016 and 2015:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 24, 2016	March 17, 2016	March 31, 2016	Regular	$ 0.36	$ 17,530,963
May 10, 2016	June 16, 2016	June 30, 2016	Regular	0.36	18,254,229
August 9, 2016	September 16, 2016	September 30, 2016	Regular	0.36	19,094,976
November 8, 2016	December 16, 2016	December 30, 2016	Regular	0.36	19,095,030
				$ 1.44	$ 73,975,198

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
March 10, 2015	March 19, 2015	March 31, 2015	Regular	$ 0.36	$ 17,535,826
May 7, 2015	June 16, 2015	June 30, 2015	Regular	0.36	17,625,370
August 6, 2015	September 16, 2015	September 30, 2015	Regular	0.36	17,625,310
November 5, 2015	December 17, 2015	December 31, 2015	Regular	0.36	17,590,638
				$ 1.44	$ 70,377,144

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the years ended December 31, 2016 and 2015:

	2016	2015
Shares Issued	610	555
Average Price Per Share	$ 15.83	$ 14.62
Proceeds	$ 9,657	$ 8,116

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.

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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 TCPC 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.

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Recent Developments

From January 1, 2017 through February 24, 2017, the Operating Company has invested approximately $90.8 million primarily in five senior secured loans, as well as investments in two portfolios of debt and lease assets, with a combined effective yield of approximately 10.2%.

On February 22, 2017, our board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after our first quarter 2017 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On February 28, 2017, our board of directors declared a first quarter regular dividend of $0.36 per share payable on March 31, 2017 to stockholders of record as of the close of business on March 17, 2017.

On March 9, 2017, our board of directors appointed Kathleen A. Corbet as an independent director to our board of directors effective March 9, 2017.

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. 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. The interest rates on such investments generally reset by reference to the current market index after one to six months. At December 31, 2016, the percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 77.0%. 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 December 31, 2016 balance sheet, the following table shows the annual impact on net income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

Basis Point Change	Interest income	Interest Expense	Net Income
Up 300 basis points	$ 32,720,925	$ (10,095,000)	$ 22,625,925
Up 200 basis points	21,938,241	(6,730,000)	15,208,241
Up 100 basis points	11,158,015	(3,365,000)	7,793,015
Down 100 basis points	(2,488,377)	3,288,615	800,237
Down 200 basis points	(2,488,377)	3,288,615	800,237
Down 300 basis points	(2,488,377)	3,288,615	800,237

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Investment Portfolio

The following is a listing of each portfolio company investment, together referred to as our investment portfolio, at December 31, 2016. Percentages shown for class of securities held by us represent percentage of the class owned and do not necessarily represent voting ownership or economic ownership. Percentages shown for equity securities other than warrants or options represent the actual percentage of the class of security held before dilution. Percentages shown for warrants and options held represent the percentage of class of security we may own on a fully diluted basis assuming we exercise our warrants or options. Each variable rate debt investment that is determined by a reference to LIBOR resets either monthly, quarterly, semi-annually or annually.

On December 31, 2016, our board of directors approved the valuation of our investment portfolio at fair value as determined in good faith 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. For more information relating to our investments, see our schedules of investments included in our financial statements appearing elsewhere in this prospectus.

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Company Address	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
s (A)									
Two Lincoln Centre 5420 LBJ Freeway, Suite 900 Dallas, TX 75240	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	7.75 %	12/20/2021	$ 14,769,821	$ 14,623,499	$ 14,622,123
Two Lincoln Centre 5420 LBJ Freeway, Suite 900 Dallas, TX 75240	Revolver	LIBOR (Q)	1.00 %	6.75%	N/A	12/20/2021	$ —	(6,669)	(6,713
126 East 56th Street, 33rd floor New York, NY 10022	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
								25,751,140	25,509,344
5401 N. Central Expressway, Suite 300 Dallas, TX 75205	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
30 Cecil Street, # 19-08 Prudential Tower	First Lien Delayed Draw Tranche 1 Term Loan	LIBOR (M)	0.33 %	10.17%	10.98 %	9/1/2018	$ 15,000,000	14,772,946	14,704,508

Singapore 04912	(1.25% Exit Fee)									
30 Cecil Street, # 19-08 Prudential Tower Singapore 04912	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$	—	—	–
30 Cecil Street, # 19-08 Prudential Tower Singapore 04912	First Lien Delayed Draw Tranche 3 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$	—	—	–
									14,772,946	14,704,508
ion										
410 North 44th Street, Suite 700 Phoenix Arizona 85008	Acquisition Loan	LIBOR (M)	—	7.25%	8.00 %	7/15/2022	$	14,042,971	13,839,296	14,323,830
410 North 44th Street, Suite 700 Phoenix Arizona 85008	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
410 North 44th Street, Suite 700 Phoenix Arizona 85008	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	N/A	2/28/2022	$	—	—	–
410 North 44th Street, Suite 700 Phoenix Arizona 85008	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	N/A	12/31/2022	$	—	—	–
									30,098,309	30,580,935
6680 Amelia Earhart Court, Las	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$	—	(1,655,756)	(937,500

Vegas, NV 89119									
935 Gravier St #1200, New Orleans, LA 70112	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
935 Gravier St #1200, New Orleans, LA 70112	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.5% Cash + 2% PIK	N/A	11/3/2020	$ —	(16,444)	(17,123
								22,082,980	22,781,262
Six Neshaminy Interplex, 6th Floor Trevose, Pennsylvania 19053	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
Six Neshaminy Interplex, 6th Floor Trevose, Pennsylvania 19053	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
1411 Broadway #39 New York, NY 10018	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
								21,892,884	22,241,779
950 Holmdel Road Holmdel, NJ 07733	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50 %	7/25/2021	$ —	—	-
950 Holmdel Road Holmdel, NJ 07733	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50 %	7/25/2021	$ 14,295,589	14,092,734	14,188,374
								14,092,734	14,188,374

111 Market Place Baltimore, MD 21202	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(17,798)	70,000
111 Market Place Baltimore, MD 21202	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
100 Carillon Parkway, St. Petersburg, FL 33716	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.25 %	6/30/2023	$ 31,000,000	30,588,757	30,336,600
								54,438,625	54,763,006

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(continued)										
	284 John Ford Road Ashfield, MA 01330	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (Q)	—	10.63%	11.63 %	2/1/2018	$ 7,563,676	$ 7,995,360	$ 8,250,45
c.	1130 Gahanna Parkway Columbus, Ohio 43230	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
	Gompenstraat 49 5145 RM Waalwijk, The Netherlands	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.00 %	10/12/2021	$ 253,581	245,565	251,684
	Gompenstraat 49 5145 RM Waalwijk, The Netherlands	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.00 %	10/12/2021	$ 3,864,583	3,836,083	3,835,599
	233 South Hillview Dr. Milpitas, CA 95035	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
									37,071,903	36,955,240
ns,	45 Oser Ave., Hauppauge, NY 11788-3816	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	8.88 %	12/11/2018	$ 14,480,001	14,335,200	14,480,002
	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
									18,981,589	19,357,729

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)	945 East Paces Ferry Road, Suite 2500 Atlanta, GA 30326	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	7.75 %	9/1/2022	$ 9,975,000	9,784,353	9,875,250
	100 Avenida La Pata San Clemente, CA 92673	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
	4675 MacArthur Court Suite 900 Newport Beach, CA 92660	Second Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.50 %	5/29/2021	$ 6,993,035	6,953,617	7,001,777
	901 Mariners Island Blvd #200, San Mateo, CA 94404	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50 %	8/16/2021	$ 23,295,455	22,630,922	22,887,784
	901 Mariners Island Blvd #200, San Mateo, CA 94404	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	10.50 %	8/16/2021	$ —	(47,341)	21,307
	155 Commerce Valley Drive East, Thornhill ON, Canada L3T 7T2	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.90 %	9/3/2018	$ 2,314,000	2,314,000	2,314,000
	155 Commerce Valley Drive East, Thornhill ON, Canada L3T 7T2	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90 %	9/3/2018	$ 10,320,000	10,268,787	10,320,000
	18101 Von Karman Ave. #400, Irvine, CA 92612	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.90 %	9/3/2018	$ 3,738,000	3,738,000	3,738,000
	18101 Von Karman Ave.	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90 %	9/3/2018	$ 3,160,000	3,151,013	3,160,000

	#400, Irvine, CA 92612									
	25 Division St., San Francisco, CA 94103	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
									80,505,041	81,580,508
nd										
	1475 N. Scottsdale Road, Suite 120 Scottsdale, AZ 85257	First Lien Term Loan	Fixed	—	9.00%	9.00 %	1/15/2020	$ 6,876,756	6,876,756	6,876,756
le C	1200 Brickell Avenue, Suite 800 Miami, FL 33131	First Lien Term Loan	Fixed	—	9% Cash + 1% PIK	10.00 %	9/10/2017	$ 7,518,173	7,491,471	7,442,991
	6500 Kaiser Dr. Fremont, CA 94555	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
	6500 Kaiser Dr. Fremont, CA 94555	Tranche B Term Loan	LIBOR (Q)	0.44 %	9.33%	10.15 %	9/1/2017	$ 1,603,779	1,556,152	1,563,204
									17,039,630	17,034,455
g										
	129 Summit Avenue, Suite 1000 Summit, NJ 07901	Senior Note	Fixed	—	12.00%	12.00 %	11/1/2020	$ 29,203,304	29,203,304	29,203,304
	1486 East Valley Road Santa	Sr Secured Term Loan	Fixed	—	8.00%	8.00 %	8/15/2018	$ 1,685,289	1,685,289	1,718,994

Barbara, CA
93108

	30,888,593	30,922,298

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s (continued)										
909 W 9th Ave Anchorage, AK 99501	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00 %	3/15/2018	$ 879,513	$ 834,963	$ 853,128	
ment Activities										
5 Harbourmaster Place, Dublin, 1 Ireland	Asset-Backed Credit Linked Notes	Fixed	—	13.13%	13.13 %	8/2/2021	$ 15,000,000	15,000,000	14,994,000	
22402 S. Basha Road, Chandler, AZ 85248	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	
1301 N. Tustin Ave Santa Ana, CA 92705	First Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.51 %	8/28/2020	$ 12,071,083	11,857,665	12,375,878	
6800 Indiana Avenue, Suite 130 Riverside, CA 92506	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	
								22,664,594	23,204,111	
3 Parkway North, Suite 500 Deerfield, IL 60015	First Lien Delayed Draw Term Loan	Prime	—	4.50%	8.25 %	12/30/2022	$ —	(8,333)	—	
3 Parkway North, Suite 500 Deerfield, IL 60015	First Lien Revolver	Prime	—	4.50%	8.25 %	12/30/2021	$ —	(7,595)	—	
3 Parkway North, Suite	First Lien Term Loan	Prime	—	4.50%	8.25 %	12/30/2022	$ 3,407,121	3,373,050	3,373,050	

500 Deerfield, IL 60015									
6034 W Courtyard Dr # 300, Austin, TX 78730	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.75 %	6/8/2023	$ 8,277,983	8,112,882	8,112,423
1221 Brickell Avenue, Suite 2660 Miami, Florida 33131	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50%	7.50 %	8/31/2021	$ 3,750,000	3,689,740	3,731,250
227 W. Monroe St., Suite 650 Chicago, IL 60606	First Lien Term Loan	LIBOR (Q)	0.50 %	13.62%	14.49 %	8/29/2019	$ 20,015,152	19,533,393	20,015,152
								34,693,137	35,231,875
100 West 33rd Street, Suite 1007 New York, NY 10001	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50 %	5/27/2022	$ 16,573,588	16,434,441	16,739,324
100 West 33rd Street, Suite 1007 New York, NY 10001	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
								19,831,359	20,200,000
2475 Hanover Street Palo Alto, CA 94304	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	9.75 %	10/31/2019	$ 23,995,511	23,613,049	23,699,166
650 Madison Avenue Floor 16 New York, NY 10022	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

1500 Sycamore Rd, Montoursville, PA 17754	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
3701 Regent Blvd, Irving, TX 75063	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
Caparra Hills 2, Tabonuco Street, Suite 303, Guaynabo, PR 00968	Sr Secured Notes	Fixed	—	11.50%	11.50 %	11/15/2019	$ 28,678,000	28,568,148	29,108,170
11737 Central Parkway, Suite 200 Jacksonville, FL 32224	First Lien Delayed Draw Term Loan	LIBOR (M)	—	9.50%	10.27 %	1/12/2020	$ 17,500,000	17,300,337	16,992,500
152 West 57th St 60th Floor New York, NY 10019	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00 %	3/26/2021	$ 16,062,731	15,912,928	16,207,296
PO Box 1093, Queensgate House, George Town, KY1-1102, Cayman Islands	Secured Class B Notes	Fixed	—	10.75%	10.75 %	11/13/2018	$ 15,084,000	15,084,000	14,857,740
								121,889,596	122,238,506

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on											
al,	805 Third Ave. 21st Floor New York, New York 10022	Delayed Draw Term Loan	LIBOR (M)	1.00 %	8.50%	9.50 %	7/31/2020	$ 1,251,626	$ 1,227,886	$ 1,231,183	
al,	805 Third Ave. 21st Floor New York, New York 10022	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50 %	7/31/2020	$ 491,303	480,225	481,674	
al,	805 Third Ave. 21st Floor New York, New York 10022	First Lien Term Loan	LIBOR (M)	1.00 %	8.50%	9.50 %	7/31/2020	$ 15,408,563	15,204,465	15,257,559	
h,	29 Broadway, 10th floor New York, NY 10006	First Lien Term Loan	LIBOR (Q)	0.50 %	10.50%	11.38 %	12/11/2020	$ 4,936,601	4,853,985	4,973,625	
)	c/o Jag Shaw Baker, Berners House 47-48 Berners Street, London W1T 3NF	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	
LLC	7 Times Square, 38th Floor New York, NY 10036	Second Lien Term Loan	LIBOR (M)	1.00 %	7.75%	8.75 %	11/6/2021	$ 19,988,392	19,769,829	19,663,581	
									73,168,626	74,118,320	
uring											
rp.	2556 Wagener	Sr Secured Term Loan	Fixed	—	12.00%	12.00 %	9/15/2018	$ 4,869,577	4,869,577	4,869,710	

	Rd, Aiken, SC 29801										
rp.	2556 Wagener Rd, Aiken, SC 29801	Second Lien Notes	Fixed	—	11.00%	11.00 %	11/15/2018	$	9,268,000	7,586,317	9,268,000
rp.	2556 Wagener Rd, Aiken, SC 29801	Delayed Draw Term Loan	Fixed	—	12.00%	12.00 %	9/15/2018	$	1,049,146	1,049,146	1,049,147
	4721 Emperor Boulevard, Suite 100 Durham, NC 27703	Second Lien Term Loan	LIBOR (M)	1.00 %	6.25%	7.25 %	11/15/2021	$	5,000,000	4,900,613	5,000,000
	14567 North Outer Forty, Suite 500, Chesterfield, MO 63017	Subordinated Notes	LIBOR (M)	—	17.50%	N/A	2/1/2021	$	1,030,741	1,030,740	107,200
										19,436,393	20,294,057
g											
	7 World Trade Center, 46th Fl New York City, NY 10007	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$	—	(24,000)	15,000
	7 World Trade Center, 46th Fl New York City, NY 10007	First Lien Term Loan	LIBOR (Q)	—	9.00%	9.88 %	4/29/2021	$	8,614,356	8,459,058	8,549,749
alth,	330 North Wabash Avenue Suite 2500 Chicago, IL 60601	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
										20,707,785	21,042,022
ions											
gies,	14651 Dallas Parkway, Dallas, TX	Second Lien Term Loan	LIBOR (Q)	1.25 %	7.75%	9.00 %	4/30/2021	$	4,516,129	4,470,968	4,407,177

	75254									
	331 Treble Cove Road North Billerica, MA 01862	First Lien Term Loan	LIBOR (M)	1.00 %	6.00%	7.00 %	6/30/2022	$ 8,642,604	8,199,514	8,664,210
cturing										
nal,	3516 13th Ave E, Hibbing, MN 55746	Sr Secured Notes	Fixed	—	9.50%	9.50 %	6/1/2018	$ 13,600,000	14,246,000	4,503,640