TCP Capital Corp.
Form 497
August 04, 2017

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File No. 333-216716

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission. This prospectus supplement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Subject To Completion, dated August 4, 2017

PRELIMINARY PROSPECTUS SUPPLEMENT
(To prospectus dated May 3, 2017)

$

% Notes due

We are offering $ in aggregate principal amount of % notes due (the Notes). The Notes will mature on . We will pay interest on the Notes on and of each year, beginning on . In our sole discretion, we may redeem the Notes in whole or in part at any time or from time to time at the redemption price set forth under Description of the Notes — Optional Redemption in this prospectus supplement. In addition, holders may require us to repurchase the Notes for 100% of their principal amount upon the occurrence of a Change of Control Repurchase Event (as defined herein). The Notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The Notes will be our direct unsecured obligations and rank pari passu, or equally in right of payment, with all outstanding and future unsecured unsubordinated indebtedness issued by the Holding Company. The Notes will be subordinated to the debt of any of the Holding Company s subsidiaries.

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 $7.6 billion in capital commitments from investors (committed capital) under management as of June 30, 2017, approximately 25.6% 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.

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

Investing in our securities involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any of our securities, you should read the discussion of the material risks of investing in our securities in Risks beginning on page S-9 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 this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	**Total**
Public offering price	$	$
Underwriting discount (sales load)	$	$
Proceeds, before expenses, to the Company[1]	$	$

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about August , 2017.

THE NOTES ARE NOT DEPOSITS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY.

Joint Book-Running Managers
(underwriters)

BofA Merrill Lynch Wells Fargo Securities

Prospectus Supplement dated August , 2017.

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(*Footnotes continued from front cover.*)

(1) We estimate that we will incur expenses of approximately $ in connection with this offering, resulting in net proceeds, after expenses and underwriting discount, to us of approximately $ million.

(*Continued from front cover.*)

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 June 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.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in the Notes. 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 preliminary Statement of Additional Information, dated August 4, 2017, or SAI, 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. 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 SAI, the table of contents of which is on page S-50 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. 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.

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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 or Section 21E of 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 preliminary Statement of Additional Information, dated August 4, 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 underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and of the accompanying prospectus, respectively, and the information in the SAI and the documents incorporated by reference herein or in the accompanying prospectus or the SAI is accurate only as of their respective dates. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus supplement, the accompanying prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

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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 the Notes. You should read the entire prospectus supplement, the accompanying prospectus, including Risks, and the preliminary Statement of Additional Information, dated August 4, 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 $7.6 billion in capital commitments from investors (committed capital) under management, approximately 25.6% of which consists of the Holding Company s committed capital under management as of June 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 June 30, 2017, we had approximately $1,470.7 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 $1,470.7 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 $1,470.7 million permitted under the 200% asset coverage ratio limit as of June 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 June 30, 2017, our investment portfolio of $1,445.9 million (at fair value) consisted of 94 portfolio companies and was invested 95% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 86.5% in senior secured loans, 8.8% in senior secured notes, and 4.7% in equity investments. Our average portfolio company investment at fair value was approximately

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$15.4 million. Our largest portfolio company investment by value was approximately $46.5 million and our five largest portfolio company investments by value comprised approximately 13.9% of our portfolio at June 30, 2017. See the accompanying prospectus under Prospectus Summary—Investment Strategy for more information.

Recent Developments

From July 1, 2017 through August 3, 2017, the Operating Company has invested approximately $51.5 million primarily in four senior secured loans with a combined effective yield of approximately 10.0%.

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.

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SPECIFIC TERMS OF THE NOTES AND THE OFFERING

This prospectus supplement sets forth certain terms of the Notes that we are offering pursuant to this prospectus supplement and supplements the accompanying prospectus that is attached to the back of this prospectus supplement. This section outlines the specific legal and financial terms of the Notes. You should read this section together with the more general description of the Notes under the heading Description of the Notes in this prospectus supplement and in the accompanying prospectus under the heading Description of Our Debt Securities before investing in the Notes. Capitalized terms used in this prospectus supplement and not otherwise defined shall have the meanings ascribed to them in the accompanying prospectus or in the indenture governing the Notes.

Issuer
TCP Capital Corp.
Title of the Securities
% Notes due
Initial Aggregate Principal Amount Being Offered
$
Initial Public Offering Price
% of the aggregate principal amount of Notes
Interest Rate
%
Yield to Maturity
%
Trade Date
August , 2017
Issue Date
August , 2017
Maturity Date..........................

Interest Payment Dates
and , commencing
Ranking of Notes
The Notes will be our direct unsecured obligations and will rank:

- pari passu (meaning equal in right of payment) with our other outstanding and future senior unsecured indebtedness, including without limitation, $108.0 million of our 5.25% convertible senior unsecured notes due 2019 (the 2019 Convertible Notes) and $140.0 million of our 4.625% convertible senior unsecured notes due 2022 (the 2022 Convertible Notes and, together with the 2019 Convertible Notes, the Convertible Notes);
- senior to any of our future indebtedness that expressly provides it is subordinated to the Notes (none of which is currently subordinated to the Notes);
- effectively subordinated to all our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness; and
- structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries, including without limitation, $100.5 million of indebtedness of the Operating

Company, $175.0 million of indebtedness of TCPC Funding and $75.0 million of indebtedness of TCPC SBIC, in each case outstanding as of August 3, 2017.

Effective subordination means that in any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors. Structural subordination means that creditors of a parent entity are subordinate to creditors of a subsidiary entity with respect to the subsidiary s assets. The total dollar amount of indebtedness the Notes are structurally and effectively subordinated to is $350.5 million.

As of August 3, 2017, our total consolidated indebtedness was approximately $598.5 million. After giving effect to the issuance of the Notes and assuming the net proceeds therefrom are used to repay outstanding borrowings under the TCPC Funding Facility, our total consolidated indebtedness would have been approximately $ as of August 3, 2017. See Capitalization.

Denominations

We will issue the Notes in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Optional Redemption

We may redeem some or all of the Notes at any time, or from time to time, at a redemption price equal to the greater of (1) 100% of the principal amount of the Notes to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semi annual basis (assuming a 360 day year consisting of twelve 30 day months) using the applicable Treasury Rate plus basis points, plus, in each case, accrued and unpaid interest to the redemption date.

Sinking Fund

The Notes will not be subject to any sinking fund.

A sinking fund is a fund established by us by periodically setting aside money for the gradual repayment of a debt. No amounts will be set aside for the express purpose of repayment of principal and any unpaid interest on the Notes and repayment of the Notes will depend upon our financial condition as of the maturity date of the Notes.

Offer to Purchase upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs prior to maturity, holders will have the right, at their option, to require us to repurchase for cash some or all of the

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Notes at a repurchase price equal to 100% of the principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date.

Defeasance and Covenant Defeasance

The Notes are subject to defeasance by us.

Defeasance means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the Notes when due and satisfying any additional conditions required under the indenture relating to the Notes, we will be deemed to have been discharged from our obligations under the indenture relating to the Notes. We are under no obligation to exercise any rights of defeasance.

The Notes are subject to covenant defeasance by us.

In the event of a covenant defeasance, upon depositing such funds and satisfying conditions similar to those for defeasance we would be released from certain covenants under the indenture relating to the Notes. The consequences to the holders of the Notes would be that, while they would no longer benefit from certain covenants under the indenture, and while the Notes could not be accelerated for any reason, the holders of Notes nonetheless would be guaranteed to receive the principal and interest owed to them. We are under no obligation to exercise any rights of covenant defeasance.

Form of Notes

The Notes will be represented by global securities that will be deposited and registered in the name of The Depository Trust Company (DTC) or its nominee. This means that, except in limited circumstances, you will not receive certificates for the Notes. Beneficial interests in the Notes will be represented through book entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the Notes through either DTC, if they are a participant, or indirectly through organizations that are participants in DTC.

Trustee, Paying Agent, Registrar and Transfer Agent

U.S. Bank National Association

Events of Default

If an event of default (as described herein under Description of the Notes) on the Notes occurs, the principal amount of the Notes, plus accrued and unpaid interest, may be declared immediately due and payable, subject to conditions set forth in the indenture. These amounts automatically become due and payable in the case of certain types of bankruptcy or insolvency events involving us.

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Other Covenants

In addition to the covenants described in the accompanying prospectus, the following covenants shall apply to the Notes:

- We agree that for the period of time during which the Notes are outstanding, we will not violate, whether or not we are subject to, Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles (GAAP).

No Established Trading Market

The Notes are a new issue of securities with no established trading market. The Notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. Although the underwriters have informed us that they intend to make a market in the Notes, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue any such market making activities at any time without notice. See Underwriting. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

Global Clearance and Settlement Procedures

Interests in the Notes will trade in DTC s Same Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the trustee or the paying agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Governing Law

The Notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

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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 six months ended June 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 six months ended June 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 Ended June 30,		For the Six Months Ended June 30,		For the Year Ended December 31			
	2016	2017	2016	2016	2015	2014	
982	34,763,099	$ 84,762,193	$ 67,637,622	$ 145,018,414	$ 142,012,553	$ 100,923,265	$ 6
627	—	16,627	—	—	—	1,968,748	
457	649,785	148,914	1,425,856	1,571,280	1,352,797	1,334,330	
560	182,287	645,908	1,120,975	1,591,071	3,502,875	2,355,105	
626	35,595,171	85,573,642	70,184,453	148,180,765	146,868,225	106,581,448	6
627	5,833,727	15,650,654	11,379,008	25,192,990	18,895,977	9,821,751	
988	4,656,418	10,013,029	9,160,502	18,881,786	18,593,660	13,646,064	
695	1,971,302	3,991,748	3,640,839	8,283,156	7,999,070	5,012,257	
310	12,461,447	29,655,431	24,180,349	52,357,932	45,488,707	28,480,072	1
316	23,133,724	55,918,211	46,004,104	95,822,833	101,379,518	78,101,376	5
—	—	—	—	569,511	876,706	808,813	

.316	23,133,724	55,918,211	46,004,104	95,253,322	100,502,812	77,292,563	5
.519)	2,675,361	(5,071,480)	(4,147,892)	114,502	(22,405,111)	(27,304,578)	
—	—	—	—	—	1,675,000	—	
—	—	—	—	—	(754,140)	(1,438,172)	(
.264)	(4,626,745)	(11,183,642)	(9,200,821)	(19,050,665)	(19,949,734)	(14,002,294)	(1
.533	$ 21,182,340	$ 39,663,089	$ 32,655,391	$ 76,317,159	$ 59,068,827	$ 34,547,519	$ 4
0.35	$ 0.43	$ 0.72	$ 0.67	$ 1.50	$ 1.21	$ 0.88	$
0.36)	(0.36)	(0.72)	(0.72)	(1.44)	(1.44)	(1.54)	
.565	49,224,367	55,170,429	48,985,444	50,948,035	48,863,188	39,395,671	2
.856	$ 1,231,501,407	$ 1,445,947,856	$ 1,231,501,407	$ 1,314,969,870	$ 1,182,919,725	$ 1,146,535,886	$ 76
.562	84,110,621	79,760,562	84,110,621	72,628,591	56,193,226	54,892,712	3
.418	1,315,612,028	1,525,708,418	1,315,612,028	1,387,598,461	1,239,112,951	1,201,428,598	80
.110	516,661,216	586,724,110	516,661,216	571,658,862	498,205,471	324,258,631	9
.768	51,759,715	55,042,768	51,759,715	25,003,608	18,930,463	11,543,149	2
.878	568,420,931	641,766,878	568,420,931	596,662,470	517,135,934	335,801,780	11
—	—	—	—	—	—	134,497,790	13

—	—	—	—	—	—	—		
,540	$ 747,191,097	$ 883,941,540	$ 747,191,097	$ 790,935,991	$ 721,977,017	$ 731,129,028	$ 54
94	89	94	89	90	88	84	
985	$ 118,838,438	$ 406,711,064	$ 233,176,219	$ 587,219,129	$ 500,928,009	$ 669,515,626	$ 47
,070	$ 119,905,675	$ 276,001,320	$ 186,045,477	$ 473,457,512	$ 456,059,137	$ 266,008,974	$ 23
11.1 %	11.0 %	11.1 %	11.0 %	10.9 %	11.0 %	10.9 %	

*Per share amounts starting in 2012 are calculated on weighted-average shares outstanding for each period.

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RISKS

Investing in the Notes involves a high degree of risk. In addition to the other information contained in this prospectus supplement and the accompanying prospectus, you should carefully consider the following supplementary risk factors together with the risk factors set forth in the accompanying prospectus before making an investment in the Notes. The risks set out below and in the accompanying prospectus are not the only risks we face. Additional risks and uncertainties not presently known to us might also impair our operations and performance. If any of the events described herein or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially and adversely affected.

The Notes will be unsecured and therefore will be effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future.

The Notes will not be secured by any of our assets or any of the assets of our subsidiaries. As a result, the Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes.

As of August 3, 2017, our total consolidated indebtedness was $598.5 million principal amount. After giving effect to the issuance of the Notes and assuming the proceeds therefrom are used to repay outstanding borrowings under the SVCP Facility and TCPC Funding Facility, our total consolidated indebtedness would have been $598.5 million principal amount as of August 3, 2017. The SVCP Facility and TCPC Funding Facility, which constitute $275.5 million of our total consolidated indebtedness as of August 3, 2017, are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and the indebtedness thereunder is therefore effectively senior to the Notes offered hereby to the extent of the value of such assets. See Capitalization.

The Notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The Notes are obligations exclusively of the Holding Company and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Notes and the Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. As a result, the Notes will be effectively subordinated to our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of our subsidiaries. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. The Notes do not restrict us from incurring indebtedness, including senior secured indebtedness in the future, nor do they limit the amount of indebtedness we can issue that is equal in right of payment to the notes. As of June 30, 2017, we had $598.5 million outstanding under our Leverage Program. As of August 3, 2017, we had $100.5 million aggregate principal amount of outstanding indebtedness under the SVCP Facility, $175.0 million aggregate principal amount of outstanding indebtedness under the TCPC Funding Facility and $75.0 million aggregate principal amount of the SBA Debentures issued and outstanding. All of such indebtedness would be structurally senior to the Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the Notes.

The indenture under which the Notes will be issued will contain limited protection for holders of the Notes.

The indenture under which the Notes will be issued offers limited protection to holders of the Notes. The terms of the indenture and the Notes do not restrict our or any of our subsidiaries ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on your investment in the Notes. In particular, the terms of the indenture and the Notes will not place any restrictions on our or our subsidiaries ability to:

- issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of

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payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18(a)(1)(A) as modified by Section 61(a)(1) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in either case, to the exemptive relief granted to us by the SEC permitting us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under such provisions;

- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes, including subordinated indebtedness;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets); enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

Furthermore, the terms of the indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes. Certain of our current debt instruments include more protections for their holders than the indenture and the Notes. See Risks — Risks Related to Our Business — 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 in the accompanying prospectus. In addition, other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us or the Notes, if any, could cause the liquidity or market value of the Notes to decline significantly.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the Notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. Neither we nor any underwriter undertakes any obligation to maintain the ratings or to advise holders of Notes of any changes in ratings.

The Notes will be rated by Standard & Poor s Ratings Services, or S&P. There can be no assurance that S&P s ratings will remain for any given period of time or that such ratings will not be lowered or withdrawn entirely by S&P if in its judgment future circumstances relating to the basis of the rating, such as adverse changes in our company, so warrant.

We may not have, or have the ability to raise, the funds necessary to repurchase the Notes upon a Change of Control Repurchase Event, and our debt may contain limitations on our ability to pay cash upon repurchase of the Notes.

Holders of the Notes will have the right to require us to repurchase their Notes upon the occurrence of a Change of Control Repurchase Event, as defined in the indenture governing the Notes, subject to certain conditions, at a repurchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, as described under Description of the Notes — Offer to Repurchase Upon a Change of Control Repurchase

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Event. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefor. In addition, our ability to repurchase the Notes may be limited by law, by regulatory authority or by agreements governing our indebtedness, including our Leverage Program. We will not pay cash upon repurchase of the Notes if prohibited by our current or future indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the indenture would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Notes.

There is currently no public market for the Notes, and an active trading market may not develop for the Notes. The failure of a market to develop for the Notes could adversely affect the liquidity and value of your Notes.

The Notes are a new issue of securities, and there is no existing market for the Notes. We do not intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. We have been advised by the underwriters that following the completion of the offering, the underwriters currently intend to make a market in the Notes. However, the underwriters are not obligated to do so and any market-making activities with respect to the Notes may be discontinued by them at any time in their sole discretion and without notice. In addition, any market-making activity will be subject to limits imposed by law. A market may not develop for the Notes, and there can be no assurance as to the liquidity of any market that may develop for the Notes. If an active, liquid market does not develop for the Notes, the market price and liquidity of the Notes may be adversely affected. If any of the Notes are traded after their initial issuance, they may trade at a discount from their initial discounted offering price. The liquidity of the trading market, if any, and future trading prices of the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results, financial performance and prospects, the market for similar securities and the overall securities market, and may be adversely affected by unfavorable changes in these factors. Accordingly, you may be required to bear the financial risk of an investment in the Notes for an indefinite period of time.

The optional redemption provision may materially adversely affect your return on the Notes.

We may choose to redeem the Notes at times when prevailing interest rates are lower than the interest rate paid on the Notes. 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 the Notes being redeemed.

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USE OF PROCEEDS

We estimate that the net proceeds we will receive from the sale of the Notes in this offering will be approximately $ million, after deducting the underwriting discount of approximately $ million payable by us and estimated offering expenses of approximately $ payable by us.

We intend to use the net proceeds from this offering to repay amounts outstanding under the TCPC Funding Facility, (which will increase the funds under 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 August 3, 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.

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 June 30, 2017, unaudited)	$ 100,500	$ 5,067	$ —	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 June 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 June 30, 2017, unaudited)	$ 175,000	$ 5,067	$ —	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 June 30, 2017, unaudited)	$	75,000	$	5,067	$	—	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 June 30, 2017, unaudited)	$	108,000	$	2,686	$	—	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 June 30, 2017, unaudited)	$	140,000	$	2,686	$	—	N/A
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.

(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 June 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 June 30, 2017
Assets:	
Cash and cash equivalents	$ 41,573,835
Investments	1,445,947,856
Other assets	38,186,727
Total assets	$ 1,525,708,418
Liabilities:	
SVCP Revolver	$ —
Term Loan	100,500,000
2019 Convertible Notes	106,776,214
2022 Convertible Notes	137,129,428
TCPC Funding Facility	175,000,000
SBA Debentures	75,000,000
Unamortized debt issuance costs	(7,681,532)
Other liabilities	55,042,768
Total liabilities	$ 641,766,878
Stockholders' equity:	
Common stock, par value $0.001 per share; 200,000,000 shares of common stock authorized; 58,792,202 common stock issued and outstanding	58,792
Paid-in capital in excess of par	1,038,023,581
Accumulated net investment income	17,007,637
Accumulated net realized losses	(141,836,828)
Accumulated net unrealized depreciation	(29,311,642)
Net assets applicable to common shareholders	$ 883,941,540
Total capitalization	$ 1,525,708,418

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RATIO OF EARNINGS TO FIXED CHARGES

For the three and six months ended June 30, 2017 and 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 Three Months Ended June 30, 2017	For the Six Months Ended June 30, 2017	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)]	3.6	3.5	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 4.1 for the three months ended June 30, 2017, 3.9 for the six months ended June 30, 2017, 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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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), 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 (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 June 30, 2017, 85.4% 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;

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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 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 June 30, 2017, less than 0.1% of our investments were categorized as Level 1, 10.4% were categorized as Level 2, 89.4% were Level 3 investments valued based on valuations by independent third party sources, and 0.2% were Level 3 investments valued based on valuations by the Advisor.

As of December 31, 2016, none of our investments were categorized as Level 1, 8.4% were categorized as Level 2, 91.5% were Level 3 investments valued based on valuations by independent third party sources, and 0.1% were Level 3 investments valued based on valuations by the Advisor.

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

Revenue recognition

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

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

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

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

Portfolio and investment activity

During the three months ended June 30, 2017, we invested approximately $266.9 million, comprised of new investments in nine new and five existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.8% were in senior secured debt comprised of senior secured loans ($250.2 million, or 93.7% of total acquisitions) and senior secured notes ($10.9 million, or 4.1% of total acquisitions). The remaining $5.8 million (2.2% of total acquisitions) were comprised of $5.4 million in equity interests in two portfolios of debt and lease assets, as well as $0.4 million in two warrant positions received in connection with debt investments. Additionally, we received approximately $159.0 million in proceeds from sales or repayments of investments during the three months ended June 30, 2017.

During the three months ended June 30, 2016, we invested approximately $119.1 million, comprised of new investments in five new and four existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 93.8% were in senior secured debt comprised of senior secured loans ($88.5 million, or 74.3% of total acquisitions) and senior secured notes ($23.2 million, or 19.5% of total acquisitions). The remaining $7.4 million (6.2% of total acquisitions) were comprised of $7.3 million in equity interests in two portfolios of debt and lease assets, as well as $0.1 million in a warrant position received in connection with a debt investment. Additionally, we received approximately $119.9 million in proceeds from sales or repayments of investments during the three months ended June 30, 2016.

During the six months ended June 30, 2017, we invested approximately $406.7 million, comprised of new investments in thirteen new and ten existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.0% were in senior secured debt comprised of senior secured loans ($377.1 million, or 92.7% of total acquisitions) and senior secured notes ($17.5 million, or 4.3% of total acquisitions). The remaining $12.1 million (3.0% of total acquisitions) were comprised of $11.1 million in equity interests in two portfolios of debt and lease assets, as well as $1.0 million in four warrant positions received in connection with debt investments. Additionally, we received approximately $276.0 million in proceeds from sales or repayments of investments during the six months ended June 30, 2017.

During the six months ended June 30, 2016, we invested approximately $233.2 million, comprised of new investments in nine new and six existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 94.3% were in senior secured debt comprised of senior secured loans ($180.4 million, or 77.3% of total acquisitions) and senior secured notes ($39.6 million, or 17.0% of total acquisitions). The remaining $13.2 million (5.7% of total acquisitions) were comprised of $12.3 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 $186.0 million in proceeds from sales or repayments of investments during the six months ended June 30, 2016.

At June 30, 2017, our investment portfolio of $1,445.9 million (at fair value) consisted of 94 portfolio companies and was invested 95.3% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 86.5% in senior secured loans, 8.8% in senior secured notes and 4.7% in equity investments. Our average portfolio company investment at fair value was approximately $15.4 million. Our largest portfolio company investment by value was approximately $46.5 million and our five largest portfolio company investments by value comprised approximately 13.9% of our portfolio at June 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 June 30, 2017 was as follows:

Industry	Percent of Total Investments
Software Publishing	14.6 %
Computer Systems Design and Related Services	9.0 %
Credit (Nondepository)	6.4 %
Lessors of Nonfinancial Licenses	3.9 %
Business Support Services	3.6 %
Equipment Leasing	3.3 %
Air Transportation	3.3 %
Management, Scientific, and Technical Consulting Services	3.2 %
Data Processing and Hosting Services	3.2 %
Hospitals	3.1 %
Chemicals	2.8 %
Credit Related Activities	2.7 %
Scientific Research and Development Services	2.7 %
Other Real Estate Activities	2.6 %
Utility System Construction	2.5 %
Advertising, Public Relations and Marketing	2.4 %
Insurance	2.2 %
Radio and Television Broadcasting	2.2 %
Textile Furnishings Mills	2.1 %
Other Telecommunications	2.0 %
Amusement and Recreation	1.7 %
Other Manufacturing	1.7 %
Financial Investment Activities	1.6 %
Other Publishing	1.5 %
Wholesalers	1.4 %
Other Information Services	1.4 %
Real Estate Leasing	1.4 %
Educational Support Services	1.3 %
Apparel Manufacturing	1.3 %
Restaurants	1.2 %
Retail	1.2 %
Building Equipment Contractors	1.0 %
Other	5.5 %
Total	**100.0 %**

The weighted average effective yield of the debt securities in our portfolio was 11.06% at June 30, 2017 and 10.92% at December 31, 2016. At June 30, 2017, 85.4% 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 14.6% 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 79.4% at June 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 $46.2 million and $35.6 million, respectively, for the three months ended June 30, 2017 and 2016, of which $46.0 million and $34.8 million were attributable to interest and fees on our debt investments, $0.1 million and $0.6 million to lease income and $0.1 million and $0.2 million to other income, respectively. Included in interest and fees on our debt investments were $8.4 million and $2.0 million of income related to prepayments for the three months ended June 30, 2017 and 2016, respectively. The increase in investment income in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 reflects an increase in interest income due to the increase in prepayment income and the larger portfolio size during the three months ended June 30, 2017 compared to the three months ended June 30, 2016, partially offset by a decrease in lease income.

Investment income totaled $85.6 million and $70.2 million, respectively, for the six months ended June 30, 2017 and 2016, of which $84.8 million and $67.6 million were attributable to interest and fees on our debt investments, $0.2 million and $1.4 million to lease income and $0.6 million and $1.1 million to other income, respectively. Included in interest and fees on our debt investments were $11.7 million and $2.9 million of non-recurring income related to prepayments for the six months ended June 30, 2017 and 2016, respectively. The increase in investment income in the six months ended June 30, 2017 compared to the six months ended June 30, 2016 reflects an increase in interest income due to the increase in prepayment income and the larger portfolio size during the six months ended June 30, 2017 compared to the six months ended June 30, 2016, partially offset by a decrease in lease and other income.

Expenses

Total operating expenses for the three months ended June 30, 2017 and 2016 were $15.2 million and $12.5 million, respectively, comprised of $7.9 million and $5.8 million in interest expense and related fees, $5.1 million and $4.7 million in base management fees, $0.6 million and $0.7 million in legal and professional fees, $0.6 million and $0.4 million in administrative expenses, and $1.1 million and $0.8 million in other expenses, respectively. The increase in expenses in the three months ended June 30, 2017 compared to the three months ended June 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 the increase in LIBOR rates during the period.

Total operating expenses for the six months ended June 30, 2017 and 2016 were $29.7 million and $24.2 million, respectively, comprised of $15.7 million and $11.4 million in interest expense and related fees, $10.0 million and $9.2 million in base management fees, $0.8 million and $1.2 million in legal and professional fees, $1.1 million and $0.8 million in administrative expenses, and $2.0 million and $1.6 million in other expenses, respectively. The increase in expenses in the six months ended June 30, 2017 compared to the six months ended June 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 the increase in LIBOR rates during the period.

Net investment income

Net investment income was $31.0 million and $23.1 million, respectively, for the three months ended June 30, 2017 and 2016. The increase in net investment income in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 primarily reflects the increase in investment income, partially offset by the increase in expenses in the three months ended June 30, 2017.

Net investment income was $55.9 million and $46.0 million, respectively, for the six months ended June 30, 2017 and 2016. The increase in net investment income in the six months ended June 30, 2017 compared to the six months ended June 30, 2016 primarily reflects the increase in investment income, partially offset by the increase in expenses in the six months ended June 30, 2017.

Net realized and unrealized gain or loss

Net realized losses for the three months ended June 30, 2017 and 2016 were $1.8 million and $0.7 million, respectively. Net realized losses during the three months ended June 30, 2017 were comprised primarily of a $10.1 million loss realization on the restructuring of our loan to Iracore, most of which had been recognized on an unrealized basis in prior periods. This loss was partially offset by a $7.0 million gain on the sale of our equity in Blackline and a $1.7 million gain on the sale of our equity in Soasta.

Net realized losses for the six months ended June 30, 2017 and 2016 were $6.9 million and $3.3 million, respectively. Net realized losses during the six months ended June 30, 2017 were comprised primarily of a

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$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 and a $1.5 million loss on the disposition of our investment in Integra Telecom Holdings. Substantially all of the losses had been recognized on an unrealized basis in prior periods. These losses were 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 six months ended June 30, 2016 was primarily due to the taxable reorganization of our investment in Boomerang Tube, LLC.

For the three months ended June 30, 2017 and 2016, the change in net unrealized appreciation/depreciation was $(2.8) million and $3.4 million, respectively. The change in net unrealized appreciation/depreciation for the three months ended June 30, 2017 was primarily due to a $5.3 million markdown of Kawa, partially offset by mark to market adjustments resulting from narrower market yield spreads on various holdings. The change in net unrealized appreciation/depreciation for the three months ended June 30, 2016 was comprised primarily of mark-to-market adjustments resulting from narrower market yield spreads during the quarter and a $1.6 million gain on our loan to MD America Energy, LLC, which we sold back to the company, partially offset by certain net markdowns.

For the six months ended June 30, 2017 and 2016, the change in net unrealized appreciation/depreciation was $1.8 million and $(0.8) million, respectively. The change in net unrealized appreciation/depreciation for the six months ended June 30, 2017 was comprised primarily of the reversal of previously recognized unrealized losses as well as various market gains resulting from generally tighter spreads, partially offset by a $6.2 million markdown of Kawa as well as a $2.6 million markdown of Real Mex in line with industry comparables.

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

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at year end as such amounts are known. There was no U.S. federal excise tax recorded during the three months ended June 30, 2017 and 2016.

Incentive compensation

Incentive compensation distributable to the General Partner for the three months ended June 30, 2017 and 2016 was $6.2 million and $4.6 million, respectively. Incentive compensation for the three months ended June 30, 2017 and 2016 was distributable due to our performance exceeding the total return threshold.

Incentive compensation distributable to the General Partner for the six months ended June 30, 2017 and 2016 was $11.2 million and $9.2 million, respectively. Incentive compensation for the six months ended June 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 $20.2 million and $21.2 million for the three months ended June 30, 2017 and 2016, respectively. The lower net increase in net assets applicable to common shareholders resulting from operations during the three months ended June 30, 2017 is primarily due to the net realized and unrealized loss during the three months ended June 30, 2017 compared to the net realized and unrealized gain during the three months ended June 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 $39.7 million and $32.7 million for the six months ended June 30, 2017 and 2016, respectively. The higher net

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increase in net assets applicable to common shareholders resulting from operations during the six months ended June 30, 2017 is primarily due to the higher net investment income during the six months ended June 30, 2017 compared to the six months ended June 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 six months ended June 30, 2017.

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	302	$ 17.16 *	$ 5,181
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 May 3, 2017, to be in effect through the earlier of two trading days after our second quarter 2017 earnings release, unless further extended or terminated by our board of directors, or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions. There were no share repurchases for the six months ended June 30, 2017.

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Total leverage outstanding and available under the combined Leverage Program at June 30, 2017 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	%	106,776,214	—	106,776,214
2022 Convertible Notes ($140 million par)	2022	4.625	%	137,129,428	—	137,129,428
TCPC Funding Facility	2021	L+2.50	%‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024–2027	2.58	%§	75,000,000	75,000,000	150,000,000
Total leverage				594,405,642	366,000,000	960,405,642
Unamortized issuance costs				(7,681,532)		
Debt, net of unamortized issuance costs				$ 586,724,110		

* 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 on pooled loans of $61.0 million, excluding fees of 0.36%. As of June 30, 2017, the remaining $14.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 1.56% plus fees of 0.36% through September 20, 2017, the date of the next SBA pooling.

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 six months ended June 30, 2017 was $77.9 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of $123.7 million, partially offset by net investment income less incentive allocation (net of non-cash income and expenses) of approximately $45.8 million.

Net cash provided by financing activities was $65.9 million during the six months ended June 30, 2017, consisting primarily of $93.6 million of net proceeds from the public offering of common stock on April 25, 2017 and $14.0 million of net borrowings of debt, reduced by the $40.3 million in regular dividends paid on common equity and payment of $1.4 million in debt issuance costs.

At June 30, 2017, we had $41.6 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 June 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 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 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 six months ended June 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
				$ 0.72	$ 40,260,221

Date Declared	Record Date	Payment Date	Type		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
				$ 0.72	$ 35,785,192

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

	2017	2016
Shares Issued	302	311
Average Price Per Share	$ 17.16	$ 15.08
Proceeds	$ 5,181	$ 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 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.

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

Related Parties

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

- Each of the Holding Company, the Operating Company, TCPC Funding, and the SBIC has entered into an investment management agreement with the Advisor.
- The Administrator provides us with administrative services necessary to conduct our day-to-day operations. For providing these services, facilities and personnel, the Administrator may be reimbursed by us for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance.
- We have entered into a royalty-free license agreement with the Advisor, pursuant to which the Advisor has agreed to grant us a non-exclusive, royalty-free license to use the name TCP.
- Pursuant to its limited partnership agreement, the general partner of the Operating Company is Series H of SVOF/MM, LLC. SVOF/MM, LLC is an affiliate of the Advisor and certain other series and classes of SVOF/MM, LLC serve as the general partner or managing member of certain other funds managed by the Advisor.

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

Recent Developments

From July 1, 2017 through August 3, 2017, the Operating Company has invested approximately $51.5 million primarily in four senior secured loans with a combined effective yield of approximately 10.0%.

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

On August 3, 2017, the Company s board of directors declared a third quarter regular dividend of $0.36 per share payable on September 29, 2017 to stockholders of record as of the close of business on September 15, 2017.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. At June 30, 2017, 85.4% of debt investments in our portfolio bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At June 30, 2017, the percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 79.4%. 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 June 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	$ 41,034,644	$ (10,515,000)	$ 30,519,644
Up 200 basis points	28,432,001	(7,010,000)	$ 21,422,001
Up 100 basis points	15,829,357	(3,505,000)	$ 12,324,357
Down 100 basis points	(5,951,556)	3,505,000	$ (2,446,556)
Down 200 basis points	(6,680,265)	4,424,712	$ (2,255,553)
Down 300 basis points	(6,680,265)	4,424,712	$ (2,255,553)

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DESCRIPTION OF THE NOTES

The following description of the particular terms of the % Notes due supplements and, to the extent inconsistent with, replaces the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus.

We will issue the Notes under a base indenture between us and U.S. Bank National Association, as trustee (the trustee), as supplemented by a separate supplemental indenture, each to be dated as of the settlement date for the Notes. As used in this section, all references to the indenture mean the base indenture as supplemented by the supplemental indenture. The terms of the Notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, or the TIA.

The following description is a summary of the material provisions of the Notes and the indenture and does not purport to be complete. This summary is subject to and is qualified by reference to all the provisions of the Notes and the indenture, including the definitions of certain terms used in the indenture. We urge you to read these documents because they, and not this description, define your rights as a holder of the Notes.

For purposes of this description, references to we, our and us refer only to TCP Capital Corp. and not to any of its current or future subsidiaries and references to subsidiaries refer only to our consolidated subsidiaries and exclude any investments held by TCP Capital Corp. in the ordinary course of business which are not, under GAAP, consolidated on the financial statements of TCP Capital Corp. and its subsidiaries.

General

The Notes:

- will be our general unsecured obligations;
- will initially be issued in an aggregate principal amount of $ million;
- will mature on , , unless earlier redeemed or repurchased, as discussed below;
- will bear cash interest from August , 2017 at an annual rate of % payable semi annually on and of each year, beginning on , ;
- will be subject to redemption at our option as described under —Optional Redemption;
- will be subject to repurchase by us at the option of the holders following a Change of Control Repurchase Event (as defined below under —Offer to Repurchase Upon a Change of Control Repurchase Event), at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, *plus* accrued and unpaid interest to, but excluding, the date of repurchase;
- will be issued in denominations of $2,000 and integral multiples of $1,000 thereof; and
- will be represented by one or more registered Notes in global form, but in certain limited circumstances may be represented by Notes in definitive form. See —Book Entry, Settlement and Clearance.

The indenture does not limit the amount of debt that may be issued by us or our subsidiaries under the indenture or otherwise. The indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under —Offer to Repurchase Upon a Change of Control Repurchase Event and —Merger, Consolidation or Sale of Assets below, the indenture does not contain any covenants or other provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may, without the consent of the holders, issue additional Notes under the indenture with the same terms (except for the issue date, public offering price and, if applicable, the initial interest payment date) and with the same CUSIP numbers as the Notes offered hereby in an unlimited aggregate principal amount; *provided* that such additional Notes must be part of the same issue as the Notes offered hereby for U.S. federal income tax purposes.

We do not intend to list the Notes on any securities exchange or any automated dealer quotation system.

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Payments on the Notes; Paying Agent and Registrar; Transfer and Exchange

We will pay the principal of, and interest on, Notes in global form registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such Global Note (as defined below).

Payment of principal of (and premium, if any) and any such interest on the Notes will be made at the corporate trust office of the trustee in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at our option payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register.

A holder of Notes may transfer or exchange Notes at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by us, the trustee or the registrar for any registration of transfer or exchange of Notes, but we may require a holder to pay a sum sufficient to cover any transfer tax or other similar governmental charge required by law or permitted by the indenture.

The registered holder of a Note will be treated as its owner for all purposes.

Interest

The Notes will bear cash interest at a rate of % per year until maturity. Interest on the Notes will accrue from August , 2017 or from the most recent date on which interest has been paid or duly provided for. Interest will be payable semiannually in arrears on and of each year, beginning on , .

Interest will be paid to the person in whose name a Note is registered at 5:00 p.m. New York City time (the close of business) on or , as the case may be, immediately preceding the relevant interest payment date (each, a regular record date). Interest on the Notes will be computed on the basis of a 360 day year composed of twelve 30 day months.

If any interest payment date, redemption date, the maturity date or any earlier required repurchase date upon a Change of Control Repurchase Event (defined below) of a Note falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest on such payment will accrue in respect of the delay. The term business day means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions in New York are authorized or obligated by law or executive order to close.

Ranking

The Notes will be our general unsecured obligations that rank senior in right of payment to all of our future indebtedness that is expressly subordinated in right of payment to the Notes. The Notes will rank equally in right of payment with all of our existing and future liabilities that are not so subordinated. The Notes will effectively rank junior to any of our secured indebtedness (including unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness. The Notes will rank structurally junior to all existing and future indebtedness (including trade payables) or preferred stock incurred or issued by our subsidiaries, financing vehicles or similar facilities. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the Notes only after all indebtedness under such secured debt has been repaid in full from such assets. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the Notes then outstanding.

As of August 3, 2017, our total consolidated indebtedness was approximately $598.5 million aggregate principal amount ($350.5 million of which was indebtedness of our subsidiaries). After giving effect to the issuance of the Notes and assuming the net proceeds therefrom are used to repay outstanding borrowings under the TCPC Funding Facility, our total consolidated indebtedness would have been approximately $ aggregate principal amount as of August 3, 2017. See Capitalization.

Optional Redemption

We may redeem some or all of the Notes at any time, or from time to time. If we choose to redeem any Notes prior to maturity, we will pay a redemption price equal to the greater of the following amounts, plus, in each case, accrued and unpaid interest to the redemption date:

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- 100% of the principal amount of the Notes to be redeemed, or
- the sum of the present values of the remaining scheduled payments of principal and interest (exclusive of accrued and unpaid interest to the date of redemption) on the Notes to be redeemed, discounted to the redemption date on a semi annual basis (assuming a 360 day year consisting of twelve 30 day months) using the applicable Treasury Rate plus basis points.

If we choose to redeem any Notes, we will deliver a notice of redemption to holders of Notes not less than 30 nor more than 60 days before the redemption date. If we are redeeming less than all of the Notes, the particular Notes to be redeemed will be selected in accordance with the applicable procedures of the trustee and, so long as the Notes are registered to DTC or its nominee, DTC; *provided*, *however*, that no such partial redemption shall reduce the portion of the principal amount of a Note not redeemed to less than $2,000. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions of the Notes called for redemption.

For purposes of calculating the redemption price in connection with the redemption of the Notes, on any redemption date, the following terms have the meanings set forth below:

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semi annual equivalent yield to maturity of the Comparable Treasury Issue (computed as of the third business day immediately preceding the redemption), assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The redemption price and the Treasury Rate will be determined by us.

Comparable Treasury Issue means the United States Treasury security selected by the Reference Treasury Dealer as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financing practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes being redeemed.

Comparable Treasury Price means (1) the average of the remaining Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Quotation Agent means a Reference Treasury Dealer selected by us.

Reference Treasury Dealer means each of (1) Merrill Lynch, Pierce, Fenner & Smith Incorporated and (2) Wells Fargo Securities, LLC, or their respective affiliates which are primary U.S. government securities dealers and their respective successors; *provided*, *however*, that if either of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the United States (a Primary Treasury Dealer), we shall select another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

All determinations made by any Reference Treasury Dealer, including the Quotation Agent, with respect to determining the redemption price will be final and binding absent manifest error.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event occurs, unless we have exercised our right to redeem the Notes in full, we will make an offer to each holder of Notes to repurchase all or any part (in minimum denominations of $2,000 and integral multiples of $1,000 principal amount) of that holder s Notes at a repurchase price in cash equal to 100% of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the Notes repurchased to the date of purchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date

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specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e 1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, subject to extension if necessary to comply with the provisions of the Investment Company Act, we will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;
(2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
(3) deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of Notes being purchased by us.

The paying agent will promptly remit to each holder of Notes properly tendered the purchase price for the Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided* that each new Note will be in a minimum principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

We will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The source of funds that will be required to repurchase Notes in the event of a Change of Control Repurchase Event will be our available cash or cash generated from our operations or other potential sources, including funds provided by a purchaser in the Change of Control transaction, borrowings, sales of assets or sales of equity. We cannot assure you that sufficient funds from such sources will be available at the time of any Change of Control Repurchase Event to make required repurchases of Notes tendered. The terms of the SVCP Facility and the TCPC Funding Facility provide that certain change of control events will constitute an event of default thereunder entitling the lenders to accelerate any indebtedness outstanding under the SVCP Facility and/or the TCPC Funding Facility at that time and to terminate the SVCP Facility and/or the TCPC Funding Facility. In addition, the indentures governing our Convertible Notes contain a provision that would require us to offer to purchase the Convertible Notes upon the occurrence of a fundamental change. A failure to purchase any tendered Convertible Notes would constitute an event of default under the indentures for the Convertible Notes, which would, in turn, constitute a default under the SVCP Facility and the TCPC Funding Facility and the indenture governing the Notes. See Management s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and capital resources for a general discussion of our indebtedness. Our future debt instruments may contain similar restrictions and provisions. If the holders of the Notes exercise their right to require us to repurchase Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could cause a default under our future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of the Notes and/or our other debt. See Risk Factors—We may not have, or have the ability to raise, the funds necessary to repurchase the Notes upon a Change of Control Repurchase Event, and our debt may contain limitations on our ability to pay cash upon repurchase of the Notes.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of our properties or assets and those of our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially

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all, there is no precise, established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require us to repurchase the Notes as a result of a sale, transfer, conveyance or other disposition of less than all of our assets and the assets of our subsidiaries taken as a whole to another person or group may be uncertain.

For purposes of the Notes:

Below Investment Grade Rating Event means the Notes are downgraded below Investment Grade by the Rating Agency on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the 60 day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by the Rating Agency); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agency making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

Change of Control means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the assets of TCP Capital Corp. and its Controlled Subsidiaries taken as a whole to any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act), other than to any Permitted Holders; *provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of TCP Capital Corp. or its Controlled Subsidiaries shall not be deemed to be any such sale, lease, transfer, conveyance or disposition;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) (other than any Permitted Holders) becomes the beneficial owner (as defined in Rules 13d 3 and 13d 5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of TCP Capital Corp., measured by voting power rather than number of shares; or

(3) the approval by TCP Capital Corp.'s stockholders of any plan or proposal relating to the liquidation or dissolution of TCP Capital Corp.

Change of Control Repurchase Event means the occurrence of a Change of Control and a Below Investment Grade Rating Event.

Controlled Subsidiary means any subsidiary of TCP Capital Corp., 50% or more of the outstanding equity interests of which are owned by TCP Capital Corp. and its direct or indirect subsidiaries and of which TCP Capital Corp. possesses, directly or indirectly, the power to direct or cause the direction of the management or policies, whether through the ownership of voting equity interests, by agreement or otherwise.

Investment Grade means a rating of BBB or better by S&P (or its equivalent under any successor rating categories of S&P) (or, if S&P ceases to rate the Notes for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

Permitted Holders means (i) us, (ii) one or more of our Controlled Subsidiaries and (iii) Tennenbaum Capital Partners, LLC or any affiliate of Tennenbaum Capital Partners, LLC that is organized under the laws of a jurisdiction located in the United States of America and in the business of managing or advising clients.

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Rating Agency means:

(1) S&P; and

(2) if S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization as defined in Section (3)(a)(62) of the Exchange Act selected by us as a replacement agency for S&P.

S&P means Standard & Poor s Ratings Services, a division of McGraw Hill, Inc., or any successor thereto.

Voting Stock as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Covenants

In addition to the covenants described in the base indenture, the following covenants shall apply to the Notes. To the extent of any conflict or inconsistency between the base indenture and the following covenants, the following covenants shall govern:

Merger, Consolidation or Sale of Assets

The indenture will provide that we will not merge or consolidate with or into any other person (other than a merger of a wholly owned subsidiary into us), or sell, transfer, lease, convey or otherwise dispose of all or substantially all our property (*provided* that, for the avoidance of doubt, a pledge of assets pursuant to any secured debt instrument of TCP Capital Corp. or its Controlled Subsidiaries shall not be deemed to be any such sale, transfer, lease, conveyance or disposition) in any one transaction or series of related transactions unless:

- we are the surviving person (the Surviving Person) or the Surviving Person (if other than us) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made shall be a corporation or limited liability company organized and existing under the laws of the United States of America or any state or territory thereof;
- the Surviving Person (if other than us) expressly assumes, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such Surviving Person, the due and punctual payment of the principal of, and premium, if any, and interest on, all the Notes outstanding, and the due and punctual performance and observance of all the covenants and conditions of the indenture to be performed by us;
- immediately before and immediately after giving effect to such transaction or series of related transactions, no default or event of default shall have occurred and be continuing; and
- we shall deliver, or cause to be delivered, to the trustee, an officers' certificate and an opinion of counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto, comply with this covenant and that all conditions precedent in the indenture relating to such transaction have been complied with.

For the purposes of this covenant, the sale, transfer, lease, conveyance or other disposition of all the property of one or more of our subsidiaries, which property, if held by us instead of such subsidiaries, would constitute all or substantially all of our property on a consolidated basis, shall be deemed to be the transfer of all or substantially all of our property.

Although there is a limited body of case law interpreting the phrase substantially all , there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve all or substantially all of the properties or assets of a person. As a result, it may be unclear as to whether the merger, consolidation or sale of assets covenant would apply to a particular transaction as described above absent a decision by a court of competent jurisdiction. Although these types of transactions are permitted under the indenture, certain of the foregoing transactions could constitute a Change of Control that results in a Change of Control Repurchase Event permitting each holder to require us to repurchase the Notes of such holder as described above.

An assumption by any person of obligations under the Notes and the indenture might be deemed for U.S. federal income tax purposes to be an exchange of the Notes for new Notes by the holders thereof, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

Other Covenants

- We agree that for the period of time during which the Notes are outstanding, we will not violate, whether or not we are subject to, Section 18(a)(1)(A) as modified by Section 61(a)(1) of the Investment Company Act or any successor provisions (giving effect to any exemptive relief granted to us by the SEC).
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the trustee, for the period of time during which the Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP, as applicable.

Events of Default

Each of the following is an event of default:

(1) default in the payment of any interest upon any Note when due and payable and the default continues for a period of 30 days;

(2) default in the payment of the principal of (or premium, if any, on) any Note when it becomes due and payable at its maturity including upon any redemption date or required repurchase date;

(3) our failure for 60 consecutive days after written notice from the trustee or the holders of at least 25% in principal amount of the Notes then outstanding has been received to comply with any of our other agreements contained in the Notes or indenture;

(4) default by us or any of our significant subsidiaries, as defined in Article 1, Rule 1 02 of Regulation S X under the Exchange Act (but excluding any subsidiary which is (a) a non recourse or limited recourse subsidiary, (b) a bankruptcy remote special purpose vehicle or (c) is not consolidated with TCP Capital Corp. for purposes of GAAP), with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of $50 million in the aggregate of us and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal or interest of any such debt when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, unless, in either case, such indebtedness is discharged, or such acceleration is rescinded, stayed or annulled, within a period of 30 calendar days after written notice of such failure is given to us by the trustee or to us and the trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding;

(5) Pursuant to Section 18(a)(1)(C)(ii) and Section 61 of the Investment Company Act, on the last business day of each of 24 consecutive calendar months, any class of securities shall have an asset coverage (as such term is used in the Investment Company Act) of less than 100%; or

(6) certain events of bankruptcy, insolvency, or reorganization involving us occur and remain undischarged or unstayed for a period of 60 days.

If an event of default occurs and is continuing, then and in every such case (other than an event of default specified in item (6) above) the trustee or the holders of at least 25% in principal amount of the outstanding Notes may declare the entire principal amount of Notes to be due and immediately payable, by a notice in writing to us (and to the trustee if given by the holders), and upon any such declaration such principal or specified portion thereof shall become immediately due and payable. Notwithstanding the foregoing, in the case of the events of bankruptcy, insolvency or reorganization described in item (6) above, 100% of the principal of and accrued and unpaid interest on the Notes will automatically become due and payable.

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At any time after a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained by the trustee, the holders of a majority in principal amount of the outstanding Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee a sum sufficient to pay all overdue installments of interest, if any, on all outstanding Notes, the principal of (and premium, if any, on) all outstanding Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates borne by or provided for in such Notes, to the extent that payment of such interest is lawful interest upon overdue installments of interest at the rate or rates borne by or provided for in such Notes, and all sums paid or advanced by the trustee and the reasonable compensation, expenses, disbursements and advances of the trustee, its agents and counsel, and (ii) all events of default with respect to the Notes, other than the nonpayment of the principal of (or premium, if any, on) or interest on such Notes that have become due solely by such declaration of acceleration, have been cured or waived. No such rescission will affect any subsequent default or impair any right consequent thereon.

No holder of Notes will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture, or for the appointment of a receiver or trustee, or for any other remedy under the indenture, unless:

(i) such holder has previously given written notice to the trustee of a continuing event of default with respect to the Notes;
(ii) the holders of not less than 25% in principal amount of the outstanding Notes shall have made written request to the trustee to institute proceedings in respect of such event of default;
(iii) such holder or holders have offered to the trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
(iv) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
(v) no direction inconsistent with such written request has been given to the trustee during such 60 day period by the holders of a majority in principal amount of the outstanding Notes.

Notwithstanding any other provision in the indenture, the holder of any Note shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any, on) and interest, if any, on such Note on the stated maturity or maturity expressed in such Note (or, in the case of redemption, on the redemption date or, in the case of repayment at the option of the holders, on the repayment date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such holder.

The trustee shall be under no obligation to exercise any of the rights or powers vested in it by the indenture at the request or direction of any of the holders of the Notes unless such holders shall have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. Subject to the foregoing, the holders of a majority in principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the Notes, *provided* that (i) such direction shall not be in conflict with any rule of law or with this indenture, (ii) the trustee may take any other action deemed proper by the trustee that is not inconsistent with such direction and (iii) the trustee need not take any action that it determines in good faith may involve it in personal liability or be unjustly prejudicial to the holders of Notes not consenting.

The holders of not less than a majority in principal amount of the outstanding Notes may on behalf of the holders of all of the Notes waive any past default under the indenture with respect to the Notes and its consequences, except a default (i) in the payment of (or premium, if any, on) or interest, if any, on any Note, or (ii) in respect of a covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding Note affected. Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose, but no such waiver shall extend to any subsequent or other default or event of default or impair any right consequent thereto.

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We are required to deliver to the trustee, within 120 days after the end of each fiscal year, an officers certificate stating that to the knowledge of the signers whether we are in default in the performance of any of the terms, provisions or conditions of the indenture.

Within 90 days after the occurrence of any default under the indenture with respect to the Notes, the trustee shall transmit notice of such default known to the trustee, unless such default shall have been cured or waived; *provided*, *however*, that, except in the case of a default in the payment of the principal of (or premium, if any, on) or interest, if any, on any Note, the trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors of the trustee in good faith determines that withholding of such notice is in the interest of the holders of the Notes.

Satisfaction and Discharge; Defeasance

We may satisfy and discharge our obligations under the indenture by delivering to the security registrar for cancellation all outstanding Notes or by depositing with the trustee or delivering to the holders, as applicable, after the Notes have become due and payable, or otherwise, moneys sufficient to pay all of the outstanding Notes and paying all other sums payable under the indenture by us. Such discharge is subject to terms contained in the indenture.

In addition, the Notes are subject to defeasance and covenant defeasance, in each case, in accordance with the terms of the indenture. Defeasance means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due date and (ii) delivering to the Trustee an opinion of counsel stating that (a) we have received from, or there has been published by, the Internal Revenue Service (the IRS) a ruling, or (b) since the date of execution of the indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon, the holders of the Notes and any coupons appertaining thereto will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred, we can legally release ourselves from all payment and other obligations on the Notes. Covenant defeasance means that, subject to the satisfaction of certain conditions, including, but not limited to, (i) depositing in trust for the benefit of the holders of the Notes a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the Notes on their various due dates and (ii) delivering to the Trustee an opinion of counsel to the effect that the holders of the Notes and any coupons appertaining thereto will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred, we will be released from some of the restrictive covenants in the indenture.

Trustee

U.S. Bank National Association is the trustee, security registrar and paying agent. U.S. Bank National Association, in each of its capacities, including without limitation as trustee, security registrar and paying agent, assumes no responsibility for the accuracy or completeness of the information concerning us or our affiliates or any other party contained in this document or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information, or for any information provided to it by us, including but not limited to settlement amounts and any other information.

We may maintain banking relationships in the ordinary course of business with the trustee and its affiliates.

Governing Law

The indenture provides that it and the Notes shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws that would cause the application of laws of another jurisdiction.

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Book Entry, Settlement and Clearance

Global Notes

The Notes will be initially issued in the form of one or more registered Notes in global form, without interest coupons (the Global Notes). Upon issuance, each of the Global Notes will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (DTC participants) or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of a Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the underwriters; and
- ownership of beneficial interests in a Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in Global Notes may not be exchanged for Notes in physical, certificated form except in the limited circumstances described below.

Book Entry Procedures for Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC. We provide the following summary of those operations and procedures solely for the convenience of investors. The operations and procedures of DTC are controlled by that settlement system and may be changed at any time. Neither we nor the underwriters are responsible for those operations or procedures.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a banking organization within the meaning of the New York State Banking Law;
- a member of the Federal Reserve System;
- a clearing corporation within the meaning of the Uniform Commercial Code; and
- a clearing agency registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book entry changes to the accounts of its participants. DTC s participants include securities brokers and dealers, including the underwriters; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC s system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC s nominee is the registered owner of a Global Note, that nominee will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical, certificated Notes; and
-

will not be considered the owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indenture.

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As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal and interest with respect to the Notes represented by a Global Note will be made by the trustee to DTC s nominee as the registered holder of the Global Note. Neither we nor the Trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC s procedures and will be settled in same day funds.

Certificated Notes

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Notes only if:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or
- an event of default with respect to the Notes has occurred and is continuing and such beneficial owner requests that its Notes be issued in physical, certificated form.

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U.S. FEDERAL INCOME TAX MATTERS

General

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the Notes to non-U.S. holders (as defined below) that acquire Notes for cash pursuant to this offer. The summary is based on the Code, U.S. Treasury Regulations, judicial decisions, published positions of the Internal Revenue Service (IRS), and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a particular person or to persons subject to special treatment under U.S. federal income tax laws (such as controlled foreign corporations, passive foreign investment companies, tax-exempt organizations, or persons that are, or hold their Notes through, partnerships or other pass-through entities), or to persons who hold the Notes as part of a straddle, hedge, conversion, synthetic security, or constructive sale transaction for U.S. federal income tax purposes, all of whom may be subject to tax rules that differ from those summarized below. In addition, this discussion does not address the consequences of the alternative minimum tax, or any state, local or foreign tax consequences or any tax consequences other than U.S. federal income tax consequences. This summary deals only with persons who purchase the Notes for cash at their original issue price and who hold the Notes as capital assets within the meaning of the Code (generally, property held for investment) and does not apply to banks or other financial institutions. No opinion of counsel or IRS ruling has been or will be sought regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. **Holders are urged to consult their tax advisors as to the particular U.S. federal tax consequences to them of the acquisition, ownership and disposition of Notes, as well as the effects of other U.S. federal, state, local and non-U.S. tax laws.**

For purposes of this summary, a U.S. holder means a beneficial owner of a Note (as determined for U.S. federal income tax purposes) that is, or is treated as, (i) a citizen or individual resident of the U.S., (ii) a corporation (or other entity taxable as a corporation) created or organized in the U.S. or under the laws of the U.S., any state thereof, or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person. A non-U.S. holder means any beneficial owner of a Note (as determined for U.S. federal income tax purposes), other than a partnership or other pass-through entity for U.S. federal income tax purposes, that is not a U.S. holder.

If a partnership (including any entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a holder of a Note, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of such partnership.

Partners and partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences applicable to them.

Non-U.S. Holders

Payments of Interest

A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on interest paid on a Note if the interest is not effectively connected with a U.S. trade or business, provided that the non-U.S. holder:

(1) does not actually or constructively, directly or indirectly, own 10% or more of the issuer's voting stock;

(2) is not a controlled foreign corporation that is related to the issuer (directly or indirectly) through stock ownership; and

(3) certifies to its non-U.S. status and that no withholding is required pursuant to FATCA (discussed below) on IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form).

Alternatively, a non-U.S. holder that cannot satisfy the above requirements generally will be exempt from U.S. federal withholding tax with respect to interest paid on the Notes if the holder establishes that such interest

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is not subject to withholding tax because it is effectively connected with the non-U.S. holder s conduct of a trade or business in the U.S. (and, in the case of applicable tax treaties, is attributable to a permanent establishment or fixed base within the U.S.) (generally, by providing an IRS Form W-8ECI). However, to the extent that such interest is effectively connected with the non-U.S. holder s conduct of a trade or business in the U.S. (and, in the case of applicable tax treaties, is attributable to a permanent establishment or fixed base within the U.S.), the non-U.S. holder will be subject to U.S. federal income tax on a net basis and, if it is a foreign corporation, may also be subject to a 30% U.S. branch profits tax (or lower applicable treaty rate). If a non-U.S. holder does not satisfy the requirements described above, and does not establish that the interest is effectively connected with the non-U.S. holder s conduct of a trade or business in the U.S. (and, in the case of applicable tax treaties, is attributable to a permanent establishment or fixed base within the U.S.), the non-U.S. holder will generally be subject to U.S. withholding tax on interest payments, currently at a rate of 30%.

In addition, a non-U.S. holder may be entitled to the benefits of an income tax treaty, under which the U.S. withholding rate on interest payments may be reduced or eliminated, provided the non-U.S. holder complies with the applicable certification requirements (generally, by providing a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable).

Disposition of a Note

Subject to the discussion of certain withholding rules below, a non-U.S. holder generally will not be subject to U.S. federal income taxation with respect to gain realized on the sale, exchange or other disposition of a Note, unless:

(1) the non-U.S. holder holds the Note in connection with the conduct of a U.S. trade or business (and, in the case of certain applicable tax treaties, the gain is attributable to a permanent establishment or fixed base within the U.S.); or

(2) in the case of an individual, such individual is present in the U.S. for 183 days or more during the taxable year in which gain is realized and certain other conditions are met.

If the non-U.S. holder holds the Note in connection with the conduct of a U.S. trade or business (and, in the case of certain applicable tax treaties, the gain is attributable to a permanent establishment or fixed base within the U.S. maintained by the non-U.S. holder), the first exception applies, and the non-U.S. holder generally will be subject to U.S. federal income tax on a net basis and, if it is a foreign corporation, may be subject to a 30% U.S. branch profits tax (or lower applicable treaty rate). If the non-U.S. holder is an individual that is present in the U.S. for 183 days or more during the taxable year in which gain is realized (and certain other conditions are met), the second exception applies, and the non-U.S. holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains allocable to U.S. sources (including gains from the sale, exchange, retirement or other disposition of the Notes) exceed capital losses allocable to U.S. sources.

Certain Withholding Rules. Withholding at a rate of 30% generally will be required in certain circumstances on interest payments in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, Notes held by or through certain foreign financial institutions (including investment funds), unless such institution (i) enters into, and complies with, an agreement with the IRS to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution that are owned by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) if required under an intergovernmental agreement between the U.S. and an applicable foreign country, reports such information to its local tax authority, which will exchange such information with the U.S. authorities. An intergovernmental agreement between the U.S. and an applicable foreign country, or other guidance, may modify these requirements. Accordingly, the entity through which the Notes are held will affect the determination of whether such withholding is required. Similarly, in certain circumstances, interest payments in respect of, and, after December 31, 2018, gross proceeds from the sale or other disposition of, Notes held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions generally will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any substantial United States owners or (ii) provides certain information regarding the entity s substantial United States owners, which we will in turn provide to the IRS. We will not pay any additional amounts to non-U.S. Holders in respect of any amounts withheld. Prospective investors should consult their tax advisors regarding the possible implications of these rules on their investment in the Notes.

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UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in a purchase agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the aggregate principal amount of Notes set forth opposite its name below.

Underwriter	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$
Wells Fargo Securities, LLC	
Total	$

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

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

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

Commissions and Discounts

The following table shows the total underwriting discounts that we are to pay to the underwriters in connection with this offering.

	Per Note	Total
Public offering price	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us	%	$

The underwriters propose to offer some of the Notes to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer the Notes to certain other Financial Industry Regulatory Authority members at the public offering price less a concession not in excess of % of the aggregate principal amount of the Notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the aggregate principal amount of the Notes. After the initial offering of the Notes to the public, the public offering price and such concessions may be changed. No such change shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement.

The expenses of the offering, not including the underwriting discount, are estimated at approximately $ million and are payable by us.

No Sales of Similar Securities

Subject to certain exceptions, we have agreed not to directly or indirectly, offer, pledge, sell, contract to sell, grant any option for the sale of, or otherwise transfer or dispose of any debt securities issued or guaranteed by the Company or any securities convertible into or exercisable or exchangeable for debt securities issued or guaranteed by the Company or file any registration statement under the Securities Act with respect to any of the foregoing for a period of 30 days following this prospectus supplement without first obtaining the written consent of the representatives. This consent may be given at any time without public notice.

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New Issue

The Notes are a new issue of securities with no established trading market. We do not intend to list the Notes on any national securities exchange. We have been advised by the underwriters that they presently intend to make a market in the Notes after completion of the offering as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the Notes and any such market-making may be discontinued at any time in the sole discretion of the underwriters without any notice. Accordingly, no assurance can be given as to the liquidity of, or development of a trading market for, the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering, the underwriters may purchase and sell Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater principal amount of Notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Notes made by the underwriters in the open market prior to the completion of the offering.

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

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

Any of these activities may cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be affected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time without any notice relating thereto.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

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

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit

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default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Certain directly or indirectly held registered broker dealers, investment advisors, and bank subsidiaries of Wells Fargo & Company, an affiliate of Wells Fargo Securities, LLC, an underwriter in this offering, beneficially own approximately 8.85% of our common stock. Additionally, affiliates of Wells Fargo Securities, LLC are lenders under the SVCP Facility.

Peter E. Schwab, one of our independent directors, owns shares of an affiliate of one of this offering s underwriters. As a result, Mr. Schwab is considered an interested person of the Company during the pendency of this offering under relevant rules of the 1940 Act.

Other Jurisdictions

No action has been taken by us or the underwriters that would permit a public offering of the Notes offered by this offering memorandum in any jurisdiction where action for that purpose is required. The Notes offered by this prospectus supplement and the accompanying prospectus may not be offered or sold, directly or indirectly, nor may this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the offer and sale of any such Notes be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement and the accompanying prospectus comes are advised to inform themselves about and to observe any restriction relating to the offering and the distribution of this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or a solicitation of an offer to buy the Notes offered by this prospectus supplement and the accompanying prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a Relevant Member State), no offer of the Notes may be made to the public in that Relevant Member State other than:

A. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
B. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives; or
C. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Notes shall require the Company or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any Notes or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any Notes being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Notes acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Notes to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

The Company, the representatives and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This prospectus supplement has been prepared on the basis that any offer of the Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to

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publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor the underwriters have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Company or the underwriters to publish a prospectus for such offer.

For the purpose of the above provisions, the expression an offer to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

The above selling restriction is in addition to any other selling restriction set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This prospectus supplement does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, this prospectus supplement may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the underwriters from time to time.

Notice to Prospective Investors in the Dubai International Financial Centre

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

Principal Business Address

The principal business address of Merrill Lynch, Pierce Fenner and Smith Incorporated is One Bryant Park, New York, NY 10036. The principal business address of Wells Fargo Securities, LLC is 550 South Tryon Street, 5th Floor, Charlotte, NC 28202.

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LEGAL MATTERS

Certain legal matters in connection with the Notes have been passed upon for the Company by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York and for the underwriters by Proskauer Rose LLP, Los Angeles California.

ADDITIONAL INFORMATION

We have filed with the SEC a 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 of 1934. 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 as of 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 given or made, such information or representations must not be relied upon as having been authorized by us or the underwriters. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this prospectus supplement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs or that information contained herein is current as of any time subsequent to the date hereof.

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TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION

A preliminary SAI dated as of August 4, 2017, has been filed with the SEC and is incorporated by reference in this prospectus supplement. A preliminary 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.

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Special Value Continuation Partners, LP

Financial Statements

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TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	June 30, 2017 (unaudited)	December 31, 2016
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of $1,279,331,045 and $1,174,421,611, respectively)	$ 1,288,356,263	$ 1,175,097,468
Companies 5% to 25% owned (cost of $88,515,653 and $75,508,585, respectively)	79,630,291	69,355,808
Companies more than 25% owned (cost of $107,221,632 and $96,135,623, respectively)	77,961,302	70,516,594
Total investments (cost of $1,475,068,330 and $1,346,065,819, respectively)	1,445,947,856	1,314,969,870
Cash and cash equivalents	41,573,835	53,579,868
Accrued interest income:		
Companies less than 5% owned	13,636,626	12,713,025
Companies 5% to 25% owned	1,504,322	953,561
Companies more than 25% owned	20,580	25,608
Receivable for investments sold	14,142,637	—
Deferred debt issuance costs	4,094,377	3,828,784
Prepaid expenses and other assets	4,788,185	1,527,745
Total assets	1,525,708,418	1,387,598,461
Liabilities		
Debt, net of unamortized issuance costs	586,724,110	571,658,862
Payable for investments purchased	40,429,682	12,348,925
Incentive allocation payable	6,207,263	4,716,834
Interest payable	5,401,642	5,013,713
Payable to the Advisor	718,716	325,790
Unrealized depreciation on swaps	171,006	—
Accrued expenses and other liabilities	2,114,459	2,598,346
Total liabilities	641,766,878	596,662,470
Commitments and contingencies (Note 5)		
Net assets applicable to common shareholders	**$ 883,941,540**	**$ 790,935,991**

Composition of net assets applicable to common shareholders		
Common stock, $0.001 par value; 200,000,000 shares authorized, 58,792,202 and 53,041,900 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	$ 58,792	$ 53,042
Paid-in capital in excess of par	1,038,023,581	944,426,650
Accumulated net investment income	17,007,637	12,533,289
Accumulated net realized losses	(141,836,828)	(134,960,267)
Accumulated net unrealized depreciation	(29,311,642)	(31,116,723)
Net assets applicable to common shareholders	$ 883,941,540	$ 790,935,991
Net assets per share	$ 15.04	$ 14.91

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents (A)										
sing, Relations rketing										
are Labs,	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81%	10.06%	6/1/2020	$ 18,750,000	$ 18,357,457	$ 18,525,000	1.25
Inc. ore)	First Lien Delayed Draw Tranche 1 Term Loan (2.25% Exit Fee)	LIBOR (M)	0.33 %	10.17%	11.36%	12/31/2018	$ 15,000,000	14,780,901	15,153,750	1.02
								33,138,358	33,678,750	2.27
ortation										
r Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.44%	7/15/2022	$ 13,009,929	12,840,544	13,270,127	0.89
rlines,	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	—	7.25%	8.50%	12/14/2021	$ 15,441,370	15,201,748	15,392,739	1.03
rlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	8.50%	2/28/2022	$ 8,931,637	8,789,436	8,854,379	0.60
rlines,	Engine Acquisition	LIBOR (M)	—	7.25%	N/A	12/31/2022	$ —	—	—	—

	Delayed Draw Term Loan C										
									36,831,728	37,517,245	2.52
ment and ion											
uthern s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.80%	11/3/2020	$	24,342,738	23,947,429	24,738,308	1.66
uthern s, LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$	—	(14,296)	13,913	–
									23,933,133	24,752,221	1.66
cturing											
Bros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75%	7.00%	6/3/2021	$	9,017,976	8,889,066	9,108,155	0.61
Bros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.50%	6/3/2021	$	9,345,317	9,223,363	9,504,187	0.64
									18,112,429	18,612,342	1.25
g ent tors											
atacom ical, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.73%	7/25/2021	$	13,984,735	13,807,502	14,082,629	0.95
s Services											
e Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$	—	(8,153)	(10,600)	–
e Global ogies,	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	10.58%	11/30/2019	$	23,000,000	22,761,767	22,939,050	1.54
rway ions, Inc. dvantage)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.45%	6/30/2023	$	31,000,000	30,618,212	28,306,100	1.90
									53,371,826	51,234,550	3.44
als											
			—	10.63%	11.88%	2/1/2018	$	4,450,665	4,440,793	4,450,665	0.30

Plant s s, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)								
iologics,	Sr Secured Delayed Draw Term Loan (12.4% Exit Fee)	Prime Rate	—	7.75%	12.00%	6/30/2019	$ 15,000,000	14,664,494	12,624,000	0.85
E1 B.V. ands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.30%	10/12/2021	$ 883,020	877,540	924,522	0.06
E1 B.V. ands)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.30%	10/12/2021	$ 3,816,276	3,791,996	3,995,641	0.27
E1 B.V. ands)	First Lien Term Loan	EURIBOR (Q)	—	8.00%	8.00%	10/12/2021	€ 6,459,119	7,055,942	7,727,059	0.52
, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81%	11.06%	4/1/2019	$ 10,000,000	9,551,633	9,759,000	0.66
								40,382,398	39,480,887	2.66
nications ent cturing										
mm , Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	8.88%	12/11/2018	$ 14,442,682	14,298,255	13,365,258	0.90
Related es										
Union ls, LLC	First Lien Term Loan	LIBOR (M)	1 %	7.50%	8.55%	4/21/2022	25,000,000	24,757,835	24,750,000	1.66
Business nce, LP urce)	First Lien Term Loan	LIBOR (Q)	1 %	6.75%	8.05%	12/20/2021	14,695,972	14,565,255	14,654,823	0.99
Business nce, LP urce)	Revolver	LIBOR (Q)	1 %	6.75%	8.05%	12/20/2021	286,445	280,393	284,565	0.02
								39,603,483	39,689,388	2.67

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents ued)										
ter s Design ated s										
c.)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.05%	9/1/2022	$ 9,925,000	$ 9,750,050	$ 9,825,750	0.66 %
diate Corp.	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.20%	3/14/2024	$ 10,925,551	10,605,342	10,597,785	0.71 %
ocket, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.13%	2/10/2021	$ 16,625,000	16,109,136	16,593,413	1.12 %
ionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.31%	11/4/2019	$ 43,214,417	42,740,865	40,718,785	2.74 %
ionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.31%	11/4/2019	$ 3,182,143	3,182,143	2,998,374	0.20 %
, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.80%	8/16/2021	$ 23,295,455	22,698,196	23,178,977	1.56 %
, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	N/A	8/16/2021	$ —	(42,300)	(8,523)	—
terprise s, Ltd.)	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 2,302,133	2,302,133	2,302,133	0.15 %
terprise s, Ltd.)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 10,266,667	10,230,295	10,266,667	0.69 %
A, LLC	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 3,714,267	3,714,267	3,714,267	0.25 %

A, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$	3,133,333	3,131,703	3,133,333	0.21 %
ll onal, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR (Q)	—	11.67%	12.86%	9/1/2018	$	4,800,000	4,737,352	5,397,360	0.36 %
									129,159,182	128,718,321	8.65 %
pository)											
akk SPV,	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50 %	9.50%	10.66%	12/21/2021	$	32,392,942	31,940,424	32,483,492	2.18 %
Home nc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.73%	6/30/2020	$	15,555,556	15,388,977	15,915,556	1.07 %
an l Group n Islands)	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$	28,678,000	28,584,707	29,251,558	1.97 %
nance I, Ltd. n Islands)	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$	14,907,138	14,907,138	14,907,138	1.00
									90,821,246	92,557,744	6.22 %
ocessing sting s											
tion	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.09%	4/3/2022	$	8,204,836	8,086,429	8,317,653	0.56 %
Centers, LC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$	15,000,000	15,000,000	15,000,000	1.01 %
cure,	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.06%	5/1/2022	$	12,082,640	11,905,258	11,901,400	0.80 %
cure,	Revolver	LIBOR (Q)	1.00 %	7.00%	N/A	5/1/2022	$	—	(19,492)	(20,138)	—
t, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.48%	5/5/2025	$	9,675,000	9,608,682	9,789,891	0.66 %
									44,580,877	44,988,806	3.03 %
onal Services											
um, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$	3,368,586	3,368,586	3,368,589	0.23 %
		Fixed	—	8.50%	8.50%	6/9/2020	$	2,967,806	2,967,806	2,967,806	0.20 %

um e s, LLC	Sr PIK Notes									
um e s, LLC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,696,842	13,257,966	12,710,670	0.85 %
								19,594,358	19,047,065	1.28 %
nic nent cturing										
nc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44 %	9.33%	10.52%	3/1/2018	$ 9,646,876	9,488,130	9,534,008	0.64 %
nc.	Tranche B Term Loan	LIBOR (M)	0.44 %	9.33%	10.52%	9/1/2017	$ 1,603,779	1,591,962	1,593,034	0.11 %
								11,080,092	11,127,042	0.75 %
ent										
eet Partners s, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 35,592,282	35,592,282	35,592,282	2.39 %
cean, plexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,696,898	1,696,898	1,148,121	0.08 %
								37,289,180	36,740,403	2.47 %
s t Services										
ment	First Lien Term Loan B	LIBOR (Q)	1.25 %	6.75%	8.03%	3/15/2018	$ 1,109,000	1,089,361	1,097,910	0.07 %
Stores										
Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	8.80%	10.30%	10/8/2019	$ 7,728,367	7,698,801	7,805,651	0.52 %

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investm
estments ed)										
s										
lthcare, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.33%	2/6/2020	$ 14,792,003	$ 14,701,305	$ 14,939,923	1.00
oast Investment, C re)	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.73%	2/14/2021	$ 29,288,064	28,892,367	29,539,941	1.99
								43,593,672	44,479,864	2.99
e										
oup iate , Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	5.50%	6.71%	12/30/2022	$ 83,333	75,006	83,750	0.01
oup iate , Inc.	First Lien Revolver	LIBOR (Q)	1.00 %	5.50%	6.58%	12/30/2021	$ 123,103	115,541	123,103	0.01
oup iate , Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	5.50%	6.55%	12/30/2022	$ 3,398,603	3,368,092	3,400,303	0.23
on Member Advisors,	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.84%	6/8/2023	$ 8,277,983	8,127,178	8,215,898	0.55
e Holdco, ntiv gy)	First Lien FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.91%	8/29/2019	$ 20,060,606	19,656,808	20,060,606	1.35
								31,342,625	31,883,660	2.15
of ncial										
ermediate 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	5/27/2022	$ 16,416,144	16,287,047	16,621,346	1.12
			1.00 %	8.50%	9.80%	5/27/2022	$ 3,393,862	3,368,190	3,436,285	0.23

ermediate 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)								
ermediate 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	5/27/2022	$ 2,057,154	2,052,311	2,082,868	0.14
Cole ons, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.65%	10.95%	3/21/2022	$ 34,427,465	34,098,301	34,045,320	2.29
								55,805,849	56,185,819	3.78
ment, c, and l Consulting										
, LLC	First Lien Last Out Term Loan	LIBOR (M)	1.00 %	10.77% Cash +0.50% PIK	12.45%	6/16/2022	$ 24,262,102	23,313,021	23,315,880	1.57
ata & , LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	10.06%	10/31/2019	$ 23,297,434	22,998,815	23,297,434	1.57
								46,311,836	46,613,314	3.14
Picture and dustries										
dings, LLC ment)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.30%	10/17/2022	$ 1,512,664	1,512,664	1,512,664	0.10
formation										
ernational,	Delayed Draw Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 1,251,626	1,230,728	1,257,884	0.08
ernational,	Revolver Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 491,303	481,527	494,251	0.03
ernational,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 15,213,518	15,036,366	15,259,158	1.03
Research,	First Lien Term Loan	LIBOR (Q)	0.50 %	10.50%	11.81%	12/11/2020	$ 2,970,509	2,926,492	3,022,492	0.20
								19,675,113	20,033,785	1.34
cturing										
lding Corp.	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,577	0.33
lding Corp.	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.62
lding Corp.		Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,146	0.07

	Delayed Draw Term Loan									
								13,505,040	15,186,723	1.02
ublishing										
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	8,115,773	8,301,503	0.56
nedia Health,	First Lien Term Loan B	LIBOR (M)	1.00 %	6.50%	7.75%	12/23/2021	$ 13,295,455	12,060,867	13,428,409	0.90
								20,152,640	21,729,912	1.46
eal Estate s										
ons, Inc.	First Lien FILO Term Loan	LIBOR (Q)	0.01	8.96%	10.26%	12/23/2019	$ 12,827,062	12,729,000	12,955,332	0.87
e Select , LLC	First Lien Term Loan	LIBOR (Q)	0.01	8.00%	9.24%	4/17/2024	$ 25,202,549	24,953,154	24,950,523	1.68
								37,682,154	37,905,855	2.55
munications										
Technologies,	Second Lien Term Loan	LIBOR (Q)	1.25 %	7.75%	9.00%	4/30/2021	$ 4,516,129	$ 4,470,968	$ 4,546,252	0.31
Technologies,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25%	9.25%	6/20/2025	$ 24,000,000	23,760,000	24,165,000	1.62
								28,230,968	28,711,252	1.93

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	Inve
ents										
ng										
ational,	First Lien Term Loan	LIBOR (M)	1.00 %	9.00%	10.25%	4/13/2021	$ 1,900,733	1,900,733	1,900,733	
elevision										
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 5,740,000	5,740,000	4,061,050	
ldco,	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.75%	10.04%	7/22/2020	$ 15,981,496	15,760,804	16,091,368	
ldco,	Second Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.22%	1/23/2023	$ 11,536,391	11,507,550	11,615,704	
								33,008,354	31,768,122	
easing										
ncial LC	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50%	10.67%	1/12/2020	$ 15,000,000	14,856,914	14,703,000	
s of	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.16%	10/13/2022	$ 5,000,000	4,910,899	5,050,000	
								19,767,813	19,753,000	
LC (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 2,028,390	2,028,390	2,028,390	
LC (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/30/2018	$ 4,884,985	4,601,599	4,884,985	
LC (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 10,106,771	10,106,771	909,609	
LC (Real	Second Lien Term Loan	Fixed	—	8.50%	8.50%	3/30/2018	$ 3,182,967	3,167,544	3,182,967	

	Tranche B-1									
LC (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$ 6,353,050	6,353,050	6,353,050	0
								26,257,354	17,359,001	1
	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.68%	3/15/2021	$ 4,432,934	4,358,255	4,376,636	0
e	Super Priority Debtor-in-Possession	LIBOR (M)	1.00 %	11.00%	12.20%	12/11/2017	$ 12,778,227	12,583,815	12,778,227	0
								16,942,070	17,154,863	1
ications										
ons United	Sr New Money Initial Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 1,273,204	1,238,381	1,126,786	0
ons United	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 3,248,857	3,162,750	2,875,239	0
ons United	Sr Secured Third-Priority Note	Fixed	—	12.00%	12.00%	10/1/2023	$ 6,729,804	3,381,991	2,624,624	0
								7,783,122	6,626,649	0
earch ment										
ries,	Second Lien Term Loan	LIBOR (Q)	—	2.50%	3.67%	4/29/2020	$ 3,081,346	1,878,682	2,649,957	0
ngs, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.54%	11/3/2021	$ 36,915,301	36,319,490	36,961,445	2
								38,198,172	39,611,402	2
shings										
et Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.15%	12/19/2019	$ 22,337,104	22,337,104	22,560,475	1
et Mills,	First Lien Term Loan B	LIBOR (Q)	1.00 %	10.00%	11.15%	12/19/2019	$ 7,662,146	7,545,749	7,738,767	0
								29,882,853	30,299,242	2
ns, Inc.	Second Lien Term	LIBOR	1.00 %	7.75%	9.05%	6/1/2025	$ 7,611,914	7,535,841	7,726,092	0

	Loan	(Q)								
lishing										
ational erland)	First Lien Term Loan	LIBOR (Q)	1.00 %	13.50%	14.81%	7/15/2017	$ 22,464,983	$ 22,471,612	$ 22,464,983	1
	First Lien Term Loan	LIBOR (M)	1.00 %	7.50% Cash +1.00% PIK	9.75%	11/1/2020	$ 35,114,689	34,594,446	34,574,625	2
A), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	11.05%	1/31/2020	$ 30,427,390	30,108,475	29,963,373	2
C	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	10.06%	3/31/2019	$ 36,505,910	36,226,717	36,861,842	2
onal (United	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.24%	11/4/2021	$ 26,358,696	25,802,067	25,798,573	1

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Cash Invest
ments										
c.	First Lien Term Loan	LIBOR (Q)	—	2.80% Cash +8.45% PIK	12.56%	1/26/2022	$ 18,866,692	18,287,336	18,506,338	1.
l US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.81%	12/31/2017	$ 5,621,605	5,587,194	5,624,416	0.
olutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	14.22%	9/10/2021	$ 11,513,362	11,223,852	11,729,238	0.
olutions)	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	14.22%	9/10/2021	$ 11,513,362	11,223,852	11,729,238	0.
oldings,	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	LIBOR (M)	—	8.88%	10.13%	9/1/2020	$ 11,470,517	10,714,811	10,882,003	0.
.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62 %	9.88%	11.06%	1/1/2019	$ 2,498,180	2,440,308	2,461,582	0.
								208,680,670	210,596,211	14.
m n										
olar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44%	12.69%	8/1/2020	$ 4,000,000	3,645,405	3,776,416	0.
olar, Inc.	First Lien Delay Draw Term Loan A	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
olar, Inc.			—	11.44%	N/A	8/1/2020	$ —	—	—	

	First Lien Delay Draw Term Loan B	LIBOR (M)								
newable 3, LLC	First Lien Term Loan	Fixed	—	9.00% Cash +1.00% PIK	10.00%	9/10/2017	$ 7,575,330	7,568,814	7,574,572	0.
Holdings nergy) ands)	Bank Guarantee Credit Facility	Fixed	—	8.20% Cash +3.50% PIK	11.70%	7/2/2018	$ 17,561,530	17,561,530	17,561,530	1.
Holdings nergy) ands)	Revolving Credit Facility	LIBOR (Q)	—	8.20%	9.50%	7/2/2018	$ 11,405,774	11,405,774	6,593,108	0.
								40,181,523	35,505,626	2.
C	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.80%	9/1/2021	$ 20,490,879	19,960,556	20,900,696	1.
nications										
ions,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.77%	5/31/2018	$ 327,646	324,389	324,206	0.
ions,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.67%	5/31/2018	$ 1,329,988	1,323,203	1,312,270	0.
ions,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.74%	5/31/2018	$ 7,158,978	7,087,808	7,083,809	0.
								8,735,400	8,720,285	0.
nications										
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	11,393,750	0.
								1,381,439,231	1,378,054,732	92.

rities

Public d					
abs, Inc.	Warrants to Purchase Series E Preferred Stock	1,125,000	185,450	185,400	0.
	Warrants to Purchase Stock	1,049,996	276,492	483,103	0.
			461,942	668,503	0.
rtation					
ed to es, Inc.					
UA-767, A)	Trust Beneficial Interests	683	$ 3,070,035	$ 3,058,078	0.
UA-767, A)	Trust Beneficial Interests	688	3,184,436	3,131,498	0.
c. (One	Warrants to Purchase Common Stock	1,843	855,313	3,524,111	0.
			7,109,784	9,713,687	0.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments		Notes
Equity Securities (continued)												
Business Support Services												
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01	%	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	501,185	0.03	%	C/E
								556,370	644,318	0.04	%	
Chemicals												
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	272,807	1,455	—		C/E
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	832,160	0.06	%	C/E
								878,073	833,615	0.06	%	
Communications Equipment Manufacturing												
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units						5,000,000	5,000,000	500	—		B/C/E
Computer Systems Design and Related Services												
Waterfall International, Inc.	Series B Preferred						1,428,571	1,000,000	971,000	0.07	%	C/E

	Stock					
Waterfall International, Inc.	Warrants to Purchase Stock	920,000	89,847	6,440	—	C/E
			1,089,847	977,440	0.07 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,049	1,117,418	0.08 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	24,209	—	C/E
			29,489,671	1,141,627	0.08 %	
Educational Support Services						
Edmentum Ultimate Holdings, LLC	Class A Common Units	159,515	680,226	358,908	0.03 %	B/C/E
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	681,838	0.05 %	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	21,521	—	E
			—	703,359	0.05 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	4,915	—	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	8,197,779	8,197,779	10,907,145	0.73 %	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	—	—	C/E/F
			8,301,177	10,907,145	0.73 %	

Financial Investment Activities						
GACP I, LP	Membership Units	22,128,907	22,218,711	22,571,579	1.52 %	E/I
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I
			22,391,405	22,573,266	1.52 %	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.02 %	B/E
Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	2,720,392	2,772,807	3,330,032	0.22 %	C/E
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	52,435	—	C/E
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	52,955	—	C/E
			3,166,925	3,435,422	0.22 %	
Other Information Services						
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	946,498	$ 79,082	$ 45,811	—	C/E/H

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

er	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	No
ty Securities tinued)											
er ufacturing											
Holding Corp.	Common Stock						1,333,527	—	—	—	B/C
Y Holding pany, Inc.	Series A Preferred Stock						9,778	1,091,200	9,082,655	0.61 %	B/C
								1,091,200	9,082,655	0.61 %	
tics ufacturing											
re Investments ings, Inc.	Class A Common Stock						16,207	4,177,710	3,119,413	0.21 %	B/C
o and Television dcasting											
Media, LLC	Warrants to Purchase Common Stock						233,470	300,322	—	—	C/E
aurants											
Holdco, LLC Mex)	Equity Participation						24	—	—	—	B/C
Holdco, LLC Mex)	Membership Units						13,161,000	2,010,777	—	—	B/C
								2,010,777	—	—	
il											
Holding, LLC nexity)	Class A Units						507,167	480,049	—	—	C/E
llite communications											

nti munications p, PLC (United dom)	Common Stock	245,368	3,086	31,160	—	C/D
ware Publishing						
fio, Inc.	Warrants to Purchase Series F Preferred Stock	1,052,651	188,770	188,846	0.01 %	C/E
kline, Inc.	Common Stock	7,852	19,445	280,630	0.02 %	C/J
eshift, Inc.	Warrants to Purchase Series D Preferred Stock	1,712,930	577,843	506,685	0.03 %	C/E
data, Inc.	Warrants to Purchase Preferred Stock	719,998	216,336	57,312	—	C/E
			1,002,394	1,033,473	0.06 %	
ty System struction						
sPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock	1,100,000	248,555	256,630	0.02 %	C/E
a Solar Holdings ted (Conergy) man Islands)	Ordinary Shares	2,332,594	—	—	—	C/E/
a Solar Holdings ted (Conergy) man Islands)	Series B Preferred Shares	93,023	1,395,349	243	—	C/E/
			1,643,904	256,873	0.02 %	
ed communications riers						
lecom Investment A. (Vivacom) embourg)	Common Shares	1,393	3,236,256	2,150,999	0.15 %	C/D
l Equity rities			93,629,099	67,893,124	4.57 %	
l Investments			$ 1,475,068,330	$ 1,445,947,856		

n and Cash vvalents		
Held on Account rious Institutions	21,573,835	1.45 %
s Fargo ernment Money ket Fund	13,000,000	0.87 %
gan Stanley tutional Liquidity s-Treasury rities Portfolio	7,000,000	0.47 %
n and Cash vvalents	41,573,835	2.79 %
l Cash and stments	$ 1,487,521,691	100.00 % M

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

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Notes to Consolidated Schedule of Investments:

(A) Investments in bank debt generally are bought and sold among institutional investors in transactions not subject to registration under the Securities Act of 1933. Such transactions are generally subject to contractual restrictions, such as approval of the agent or borrower.
(B) Non-controlled affiliate – as defined under the Investment Company Act of 1940 (ownership of between 5% and 25% of the outstanding voting securities of this issuer). See Consolidated Schedule of Changes in Investments in Affiliates.
(C) Non-income producing security.
(D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure.
(E) Restricted security. (See Note 2)
(F) Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the outstanding voting securities of this issuer). Investment is not more than 50% of the outstanding voting securities of the issuer nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.
(G) Investment has been segregated to collateralize certain unfunded commitments.
(H) Non-U.S. company or principal place of business outside the U.S. and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
(I) Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.
(J) 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.

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 $406,711,065 and $276,001,320, respectively, for the six months ended June 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 June 30, 2017 was $1,445,636,066 or 97.2% of total cash and investments of the Company. As of June 30, 2017, approximately 14.6% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

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

Investment	**Notional Amount**	**Fair Value**
Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 5/31/2019	$ 7,270,250	$ (171,006)

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
ments (A)										
ies d to ediation										
s ss ence, LP source)	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 ss ence, LP source)	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 %
ies d to Real										
ations,	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 ons es										
, 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. pore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$	—	—	—	—
, Inc. pore)	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 %
portation											
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 ecreation											
ming I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$	—	(1,655,756)	(937,500)	(0.07)%
outhern gs, 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 %
outhern gs, 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 %
el 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 %
parel gs, 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 %
ng ment actors										
Datacom trical,	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$ —	—	—	—
Datacom trical,	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 rt es										
se Global ologies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(17,798)	70,000	0.01 %
se Global ologies,	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 %
airway itions, 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
ments ued)										
cals										
Plant ts gs, 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 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 %
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 %
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 ment 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. om)	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 es											
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 ation	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	—
nterprise ns, 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 %
nterprise ns, 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 %
all tional, 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 osting es											
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 %
c Power ation, mission stribution											
ne able	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, Conergy)				+1.00% PIK						
onic onent acturing										
Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (Q)	0.44 %	9.33%	10.15%	3/1/2018	$ 15,666,296	15,483,478	15,471,251	1.13 %
Inc.	Tranche B Term Loan	LIBOR (Q)	0.44 %	9.33%	10.15%	9/1/2017	$ 1,603,779	1,556,152	1,563,204	0.11 %
								17,039,630	17,034,455	1.24 %
ment g										
reet Partners gs, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 29,203,304	29,203,304	29,203,304	2.13 %
Ocean, olexel)	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 rt Services										
pment	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00%	3/15/2018	$ 879,513	834,963	853,128	0.06 %
ial ment ies										
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 Investmen
nents ued)										
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 %
als										
ealthcare,	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 %
Coast gs nent,	Senior Secured 1st Lien Delayed Draw Term Loan	LIBOR (M)	2.00 %	9.70%	11.70%	10/23/2019	$ 10,828,233	10,806,929	10,828,233	0.79 %
								22,664,594	23,204,111	1.69 %
nce										
Group ediate gs, Inc.	First Lien Delayed Draw Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ —	(8,333)	—	—
Group ediate gs, Inc.	First Lien Revolver	Prime	—	4.50%	8.25%	12/30/2021	$ —	(7,595)	—	—
Group ediate gs, Inc.	First Lien Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ 3,407,121	3,373,050	3,373,050	0.25 %
ation r s rs, 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 %
			1.00 %	6.50%	7.50%	8/31/2021	$ 3,750,000	3,689,740	3,731,250	0.27 %

ldings,	First Lien Term Loan	LIBOR (Q)								
ble , LLC logy)	First Lien Term Loan	LIBOR (Q)	0.50 %	13.62%	14.49%	8/29/2019	$ 20,015,152	19,533,393	20,015,152	1.46 %
								34,693,137	35,231,875	2.57 %
s of ancial es										
ediate gs 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 %
ediate gs 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 %
								19,831,359	20,200,000	1.47 %
ement, fic, and cal ting es										
Data & cs, 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 %
Picture deo ries										
oldings, CORE inment)	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 %
pository ediation										
akk LC	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 %
Home Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.50%	6/30/2020	$ 13,333,333	13,136,017	13,133,333	0.96 %
ean al Group	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,568,148	29,108,170	2.13 %

an)										
rk al ance,	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 %
one Holdings,	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 %
Finance g I, Ltd. an)	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	1.09 %
								121,889,596	122,238,506	8.93 %
ation es										
tional,	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 %
tional,	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 491,303	480,225	481,674	0.04 %
tional,	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 %
ns h, 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 %
Cloud nited m)	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 %
gs, LLC Click)	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 %
								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 Investm
estments d)										
turing										
ding Corp.	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,710	0.36
ding Corp.	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.68
ding 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
g 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
blishing										
LLC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$ —$	(24,000) $	15,000	-
LLC	First Lien Term Loan	LIBOR (Q)	—	9.00%	9.88%	4/29/2021	$ 8,614,356	8,459,058	8,549,749	0.62
edia 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
munications										
echnologies,	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
euticals										
Medical Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	6.00%	7.00%	6/30/2022	$ 8,642,604	8,199,514	8,664,210	0.63

turing										
ternational,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	14,246,000	4,503,640	0.33
d Television ting										
C	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
te Leasing										
rtners of Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.00%	10/13/2022	$ 5,000,000	4,902,332	5,000,000	0.37
nts										
), 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
Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.50%	3/15/2021	$ 4,432,934	4,348,162	4,388,605	0.32
Iountain	Second Lien Term Loan	LIBOR (M)	—	9.50%	10.44%	6/15/2018	$ 14,740,910	14,618,096	14,749,754	1.08
boree on	First Lien Term Loan	LIBOR (Q)	—	10.25%	11.18%	9/24/2020	$ 12,857,349	12,618,039	13,050,209	0.95

Cole ns, 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
munications										
cations LC (United)	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	9,393,000	5,665,153	0.41
Research lopment										
oldings, 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										
nternational witzerland)	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
gital 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

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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	% To Cash Invest
ments										
nc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	
ltimate .C	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,846,243	2,846,243	2,846,246	0.
ltimate .C	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,040,391	12,539,980	12,101,483	0.
isitionco,	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.
isitionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 3,182,143	3,182,143	3,213,964	0.
olutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,361	11,196,782	11,334,905	0.
olutions)	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,362	11,196,782	11,334,905	0.
	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.
	Convertible Promissory Note	Fixed	—	10.00%	10.00%	12/16/2017	$ 2,282,609	2,282,609	5,504,054	0.
.	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.
								205,348,625	209,864,270	15.

nishings										
rpet 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.
rpet 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.
								30,486,450	30,657,633	2.
m n										
Holdings yman	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.
Holdings yman	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 4,000,000	4,000,000	4,000,000	0.
								25,276,420	25,276,653	1.
C	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.
nications										
ions,	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.
ions,	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.
ions,	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.
com c.	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.
ific 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.
								31,658,838	32,108,959	2.
nications										
		Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	10,900,000	0.

	Sr Secured Notes				
			1,254,861,949	1,248,887,808	91.
rities					
and ions					
	Warrants to Purchase Stock	562,496	$ 230,569	$ 87,356	0.
ortation					
sed to nes, Inc.					
UA-767, JA)	Trust Beneficial Interests	683	3,250,956	3,191,938	0.
UA-767, JA)	Trust Beneficial Interests	688	3,376,251	3,266,101	0.
nc. (One	Warrants to Purchase Common Stock	1,843	855,313	1,909,600	0.
			7,482,520	8,367,639	0.

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments		Notes
Equity Securities (continued)												
Business Support Services												
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01	%	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	1,112,351	0.08	%	C/E
								556,370	1,255,484	0.09	%	
Chemicals												
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	274,213	875	—		C/E
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	611,920	0.05	%	C/E
								879,479	612,795	0.05	%	
Communications Equipment Manufacturing												
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units						5,000,000	5,000,000	1,530,000	0.11	%	B/C/E
Computer Systems Design and Related Services												
Waterfall International, Inc.	Series B Preferred						1,428,571	1,000,000	1,145,286	0.08	%	C/E

	Stock					
Waterfall International, Inc.	Warrants to Purchase Stock	920,000	89,847	175,168	0.01 %	C/E
			1,089,847	1,320,454	0.09 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,205,306	0.09 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	366,489	0.03 %	C/E
			29,489,670	1,571,795	0.12 %	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	1,727,622	0.13 %	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	54,525	—	E
			—	1,782,147	0.13 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	5,222	—	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50 %	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01 %	C/E/F
			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
		168,698	172,694	1,687	—	C/E/I

Marsico Holdings, LLC	Common Interest Units					
			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
Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	$ 1,235,194	$ 1,292,023	0.09 %	C/E
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,551,056	0.11 %	C/E
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	196,086	0.01 %	C/E
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	198,032	0.02 %	C/E
			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

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2016

er	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investments	No
ty Securities tinued)											
er ufacturing											
Holding Corp.	Common Stock						1,333,527	—	—	—	B/C
nerang Tube ings, Inc.	Common Stock						24,288	243	—	—	C/E
Y Holding pany, Inc.	Series A Preferred Stock						9,778	1,091,200	4,607,246	0.34 %	B/C
								1,091,443	4,607,246	0.34 %	
o and Television dcasting											
Media, LLC	Warrants to Purchase Common Stock						233,470	300,322	—	—	C/E
aurants											
Holdco, LLC Mex)	Equity Participation						24	—	—	—	B/C
Holdco, LLC Mex)	Membership Units						13,161,000	2,010,777	—	—	B/C
								2,010,777	—	—	
il											
Holding, LLC nexity)	Class A Units						507,167	480,049	—	—	C/E
ware Publishing											
kline mediate, Inc.	Warrants to Purchase Common Stock						246,546	522,678	5,300,373	0.39 %	C/E
entum Ultimate ings, LLC	Class A Common						159,515	680,226	1,123,591	0.08 %	B/C

	Units					
ta, Inc.	Warrants to Purchase Series F Preferred Stock	1,251,630	533,192	794,535	0.06 %	C/E
data, Inc.	Warrants to Purchase Stock	719,998	216,336	204,983	0.01 %	C/E
			1,952,432	7,423,482	0.54 %	
ty System struction						
a Solar Holdings ted (Cayman ds)	Ordinary Shares	2,332,594	—	—	—	C/E
a Solar Holdings ted (Cayman ds)	Series B Preferred Shares	93,023	1,395,349	1,395,350	0.10 %	C/E
			1,395,349	1,395,350	0.10 %	
ed communications riers						
ra Telecom, Inc.	Common Stock	1,274,522	$ 8,433,884	$ 6,533,964	0.48 %	C/E
ra Telecom, Inc.	Warrants	346,939	19,920	—	—	C/E
lecom Investment A. (Vivacom) embourg)	Common Shares	1,393	3,236,256	2,199,862	0.16 %	C/D
			11,690,060	8,733,826	0.64 %	
l Equity rities			91,203,870	66,082,062	4.83 %	
l Investments			$ 1,346,065,819	$ 1,314,969,870		
<u>**n and Cash valents**</u>						
Held on Account arious Institutions				53,579,868	3.92 %	
n and Cash valents				53,579,868	3.92 %	
l Cash and stments				$ 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.

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled $587,219,129 and $473,457,512, respectively, for the year ended December 31, 2016. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2016 was $1,311,625,473 or 96.1% of total cash and investments of the Company. As of December 31, 2016, approximately 16.4% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Investment income				
Interest income:				
Companies less than 5% owned	$ 42,446,339	$ 32,315,238	$ 77,864,793	$ 63,126,020
Companies 5% to 25% owned	1,813,901	1,601,175	3,540,324	3,133,903
Companies more than 25% owned	1,721,742	846,686	3,357,076	1,377,699
Dividend income:				
Companies less than 5% owned	16,627	—	16,627	—
Lease income:				
Companies more than 25% owned	74,457	649,785	148,914	1,425,856
Other income:				
Companies less than 5% owned	126,074	182,287	614,422	1,120,975
Companies 5% to 25% owned	31,486	—	31,486	—
Total investment income	46,230,626	35,595,171	85,573,642	70,184,453
Operating expenses				
Interest and other debt expenses	7,895,627	5,833,727	15,650,654	11,379,008
Management and advisory fees	5,078,988	4,656,418	10,013,029	9,160,502
Administrative expenses	566,703	416,212	1,133,406	837,948
Legal fees, professional fees and due diligence expenses	561,486	730,916	839,207	1,233,611
Director fees	148,040	89,685	308,009	197,609
Insurance expense	108,180	100,846	216,140	201,780
Custody fees	77,504	75,326	159,391	155,851
Other operating expenses	757,782	558,317	1,335,595	1,014,040
Total operating expenses	15,194,310	12,461,447	29,655,431	24,180,349
Net investment income	31,036,316	23,133,724	55,918,211	46,004,104
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	(1,789,103)	(782,817)	(6,876,561)	(3,726,522)
Investments in companies 5% to 25% owned	—	—	—	315,053
Investments in companies more than 25% owned	—	79,742	—	79,742
Net realized loss	(1,789,103)	(703,075)	(6,876,561)	(3,331,727)

Change in net unrealized appreciation/depreciation	(2,812,416)	3,378,436	1,805,081	(816,165)
Net realized and unrealized gain (loss)	(4,601,519)	2,675,361	(5,071,480)	(4,147,892)
Net increase in net assets from operations	26,434,797	25,809,085	50,846,731	41,856,212
Distributions of incentive allocation to the General Partner from:				
Net investment income	(6,207,264)	(4,626,745)	(11,183,642)	(9,200,821)
Net increase in net assets applicable to common shareholders resulting from operations	$ 20,227,533	$ 21,182,340	$ 39,663,089	$ 32,655,391
Basic and diluted earnings per common share	$ 0.35	$ 0.43	$ 0.72	$ 0.67
Basic and diluted weighted average common shares outstanding	57,275,565	49,224,367	55,170,429	48,985,444

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)
	—	—	(569,511)	(11,955,963)	12,525,474	—	—

Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles							
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	302	—	5,181	—	—	—	5,181
Net investment income	—	—	—	55,918,211	—	—	55,918,211
Net realized and unrealized gain (loss)	—	—	—	—	(6,876,561)	1,805,081	(5,071,480)
General Partner incentive allocation	—	—	—	(11,183,642)	—	—	(11,183,642)
Regular dividends paid to common shareholders	—	—	—	(40,260,221)	—	—	(40,260,221)
Balance at June 30, 2017	58,792,202	$ 58,792	$ 1,038,023,581	$ 17,007,637	$ (141,836,828)	$ (29,311,642)	$ 883,941,540

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating activities		
Net increase in net assets applicable to common shareholders resulting from operations	$ 39,663,089	$ 32,655,391
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	6,876,561	3,331,727
Change in net unrealized appreciation/depreciation of investments	(1,804,471)	309,431
Net amortization of investment discounts and premiums	(8,247,248)	(5,261,682)
Amortization of original issue discount on convertible debt	499,353	215,703
Interest and dividend income paid in kind	(7,036,057)	(3,345,527)
Amortization of deferred debt issuance costs	1,714,801	1,268,104
Accrued interest on convertible debt at conversion	—	218,738
Changes in assets and liabilities:		
Purchases of investment securities	(399,675,008)	(229,830,692)
Proceeds from sales, maturities and pay downs of investments	276,001,320	186,045,477
Increase in accrued interest income - companies less than 5% owned	2,154,323	850,517
Decrease in accrued interest income - companies 5% to 25% owned	(550,761)	(42,815)
Decrease (increase) in accrued interest income - companies more than 25% owned	5,028	(500,655)
Increase in receivable for investments sold	(14,142,637)	(27,666,936)
Decrease (increase) in prepaid expenses and other assets	(3,260,440)	1,509,520
Increase in payable for investments purchased	28,080,757	34,526,659
Increase (decrease) in incentive allocation payable	1,490,429	(580,861)
Increase in interest payable	387,929	84,960
Increase in payable to the Advisor	392,926	241,611
Decrease in accrued expenses and other liabilities	(483,887)	(1,443,120)
Net cash used in operating activities	(77,933,993)	(7,414,450)
Financing activities		
Borrowings	158,000,000	211,700,000
Repayments of debt	(144,000,000)	(193,500,000)
Payments of debt issuance costs	(1,414,500)	(441,350)
Regular dividends paid to common shareholders	(40,260,221)	(35,785,192)
Repurchase of common shares	—	(1,879,548)
Proceeds from issuances of convertible debt	—	30,000,000

Proceeds from shares issued in connection with dividend reinvestment plan	5,181	4,691
Proceeds from common shares sold, net of underwriting and offering costs	93,597,500	—
Net cash provided by financing activities	65,927,960	10,098,601
Net increase (decrease) in cash and cash equivalents	(12,006,033)	2,684,151
Cash and cash equivalents at beginning of period	53,579,868	35,629,435
Cash and cash equivalents at end of period	$ 41,573,835	$ 38,313,586
Supplemental cash flow information		
Interest payments	$ 12,256,724	$ 9,296,792
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) (Continued)

June 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 eight persons, six of whom are independent.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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)

June 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 June 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	$ —	$ —	$ 311,791
2	Other direct and indirect observable market inputs *	135,291,771	15,454,800	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,131,662,534	95,645,627	65,359,889
3	Advisor valuations with significant unobservable inputs	—	—	2,221,444
		$ 1,266,954,305	$ 111,100,427	$ 67,893,124

*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 June 30, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 1,015,710,046	Income approach	Discount rate	6.6% – 22.5% (12.0%)
	58,361,708	Market quotations		1 (1)

			Indicative bid/ask quotes	
	26,882,534	Market comparable companies	Revenue multiples	0.4x – 3.1x (1.3x)
	30,708,246	Market comparable companies	EBITDA multiples	6.3x – 11.7x (8.5x)
Other Corporate Debt	86,377,627	Market quotations	Indicative bid/ask quotes	1 – 10 (5)
	9,268,000	Market comparable companies	EBITDA multiples	7.9x (7.9x)
Equity	6,189,576	Income approach	Discount rate	4.4% (4.4%)
	36,712,388	Market quotations	Indicative bid/ask quotes	1 (1)
	4,004,469	Market comparable companies	Revenue multiples	0.3x – 4.4x (2.0x)
	20,674,900	Market comparable companies	EBITDA multiples	3.5x – 15.3x (9.1x)
	$ 1,294,889,494			

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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 June 30, 2017 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,067,034,003	$ 104,393,541	$ 61,792,694
Net realized and unrealized gains (losses)	(13,511,770)	936,508	(2,436,978)
Acquisitions *	209,568,846	9,493,288	9,972,108
Dispositions	(111,764,964)	(19,177,710)	(3,872,433)
Transfers out of Level 3 †	(19,663,581)	—	—
Reclassifications within Level 3 ‡	—	—	(95,502)
Ending balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
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)	$ (7,018,513)	$ 1,301,688	$ 898,052

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of one investment that was transferred to Level 2 due to increased observable market activity
‡ Comprised of one investment that was reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 84,659	$ —	$ 3,069,245
Net realized and unrealized gains (losses)	66,475	—	(943,303)
Acquisitions *	900	—	—
Dispositions	(152,034)	—	—
Reclassifications within Level 3 †	—	—	95,502
Ending balance	$ —	$ —	$ 2,221,444

Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$	678	$	—	$	(943,303)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of one investment that was reclassified from Independent Third-Party Valuation
There were no transfers between Level 1 and 2 during the three months ended June 30, 2017.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the six months ended June 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)	(15,884,043)	(1,345,426)	574,079
Acquisitions *	340,285,633	15,233,910	16,546,413
Dispositions	(198,225,998)	(20,177,710)	(14,404,855)
Transfers out of Level 3 †	(30,557,515)	—	—
Reclassifications within Level 3 ‡	—	—	(1,877,649)
Ending balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
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)	$ (7,180,691)	$ (980,246)	$ 3,444,950

* 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	—	(1,216,366)
Acquisitions *	(20,962)	—	—
Dispositions	(152,034)	—	—
Reclassifications within Level 3 †	—	—	1,877,649
Ending balance	$ —	$ —	$ 2,221,444
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)	$ —	$ —	$ (1,216,366)

* 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 six months ended June 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)

June 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 June 30, 2016 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 974,241,847	$ 96,551,748	$ 51,794,409
Net realized and unrealized gains (losses)	4,991,751	(999,400)	(2,055,130)
Acquisitions *	85,456,122	6,918,955	7,650,882
Dispositions	(85,706,829)	—	(4,320,204)
Transfers out of Level 3 †	(5,492,400)	—	—
Transfers into Level 3 ‡	12,883,874	5,776,480	—

Reclassifications within Level 3 §	—	—	(5,061)
Ending balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 5,680,176	$ (999,400)	$ (1,948,859)

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

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

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

§ Comprised of one investment that reclassified to Advisor Valuation

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies (continued)

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 316,437	$ —	$ 2,041,779
Net realized and unrealized gains (losses)	(170,072)	—	(191,504)
Reclassifications within Level 3 *	—	—	5,061
Ending balance	$ 146,365	$ —	$ 1,855,336
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)	$ (170,072)	$ —	$ (191,703)

* 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 June 30, 2016.

Changes in investments categorized as Level 3 during the six months ended June 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)	4,491,020	(2,813,530)	(3,879,799)
Acquisitions *	181,713,809	15,970,303	14,224,626
Dispositions	(146,905,278)	—	(7,230,993)
Transfers out of Level 3 †	(5,492,400)	—	—
Transfers into Level 3 ‡	44,599,877	5,776,480	—
Reclassifications within Level 3 §	—	—	(5,061)
Ending balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 5,356,789	$ (2,813,530)	$ (3,854,472)

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

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

‡ Comprised of five investments 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)

June 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)	(926,442)	—	(263,132)
Acquisitions *	1,050,297	—	243
Dispositions	(1,101,994)	—	(315,053)
Reclassifications within Level 3 †	—	—	5,061
Ending balance	$ 146,365	$ —	$ 1,855,336
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)	$ (884,375)	$ —	$ (578,407)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of one investment that reclassified from Independent Third-Party Valuation
There were no transfers between Level 1 and 2 during the six months ended June 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 June 30, 2017 and December 31, 2016, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at June 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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies (continued)

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 June 30, 2017, $0.2 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 six months ended June 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 six months ended June 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	$ —	$ (171,006)

During the six months ended June 30, 2016, the Company entered into a GBP put option with a notional amount of £2.7 million. During the six months ended June 30, 2016, the Company's interest rate cap with a notional amount of $25.0 million expired. Gains and losses from derivatives during the six months ended June 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	$ —	$ 417,504
Cross currency basis swap	—	(247,917)
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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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies (continued)

Deferred Debt Issuance Costs

Costs of approximately $1.1 million were incurred during 2017 in connection with placing and extending TCPC Funding s revolving credit facility (see Note 4). Costs of approximately $4.1 million were incurred in September 2016 in connection with placing the Company s unsecured convertible notes (see Note 4). Costs of approximately $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 Internal Revenue Code of 1986, as amended, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. Accordingly, no provision for income taxes is required in the consolidated financial statements. The income or loss of the Operating Company, TCPC Funding and the SBIC is reported in the respective partners income tax returns. In accordance with ASC Topic 740 – *Income Taxes*, the Company recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. As of June 30, 2017, all tax years of the Company, the Operating Company, TCPC Funding and the SBIC since January 1, 2013 remain subject to examination by federal tax authorities. No such examinations are currently pending.

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

	June 30, 2017	December 31, 2016
Unrealized appreciation	$ 38,570,222	$ 33,945,996
Unrealized depreciation	(67,861,702)	(65,041,945)
Net unrealized depreciation	$ (29,291,480)	$ (31,095,949)
Cost	$ 1,475,068,330	$ 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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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 June 30, 2017 and December 31, 2016, $7.7 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.

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.

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June 30, 2017

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

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

Total leverage outstanding and available at June 30, 2017 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%	106,776,214	—	106,776,214
	2022	4.625%	137,129,428	—	137,129,428

2022 Convertible Notes ($140 million par)					
TCPC Funding Facility	2021	L+2.50 %‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024−2027	2.58 %§	75,000,000	75,000,000	150,000,000
Total leverage			594,405,642	$ 366,000,000	$ 960,405,642
Unamortized issuance costs			(7,681,532)		
Debt, net of unamortized issuance costs			$ 586,724,110		

* 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 on pooled loans of $61.0 million, excluding fees of 0.36%. As of June 30, 2017, the remaining $14.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 1.56% plus fees of 0.36% through September 20, 2017, the date of the next SBA pooling.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage (continued)

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 June 30, 2017 and December 31, 2016 were 4.03% and 3.95%, respectively.

Total expenses related to debt include:

	Six Months Ended June 30,	
	2017	2016
Interest expense	$ 13,144,006	$ 9,597,455
Amortization of deferred debt issuance costs	1,714,801	1,268,104
Commitment fees	791,847	513,449
Total	$ 15,650,654	$ 11,379,008

Amounts outstanding under the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of June 30, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes and the 2022 Convertible Notes had estimated fair values of $115.1 million and $143.7 million, respectively. The estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures were determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. The estimated fair values of the convertible notes were determined using market quotations. At June 30, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Notes

On June 11, 2014, the Company issued $108.0 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The 2019 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage (continued)

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 June 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 Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2022 Convertible Notes prior to maturity. The 2022 Convertible Notes bear interest at an annual rate of 4.625%, payable semi-annually. In certain circumstances, the 2022 Convertible Notes will be convertible into cash, shares of the Company s common stock or a combination of cash and shares of common stock (such combination to be at the Company s election), at an initial conversion rate of 54.5019 shares of common stock per one thousand dollar principal amount of the 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately $18.35 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 10.0% above the $16.68 per share closing price of the Company s common stock on August 30, 2016. At June 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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage (continued)

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 June 30, 2017 and December 31, 2016, the components of the carrying value of the 2019 Convertible Notes and 2022 Convertible Notes were as follows:

	June 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	(1,223,786)	(2,870,572)	(1,452,071)	(3,141,641)
Carrying value of debt	$ 106,776,214	$ 137,129,428	$ 106,547,929	$ 136,858,359

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

	Six Months Ended June 30,			
	2017		2016	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Stated interest expense	$ 2,835,000	$ 3,255,486	$ 2,835,000	N/A
Amortization of original issue discount	228,284	271,069	215,703	N/A
Total interest expense	$ 3,063,284	$ 3,526,555	$ 3,050,703	N/A

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 six months ended June 30, 2017 and June 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 six months ended June 30, 2017.

SVCP Facility

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

Advances under the SVCP Facility through July 31, 2014 bore interest at an annual rate equal to 0.44% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility for periods from July 31, 2014 through September 3, 2015 bore interest at an annual rate equal to 2.50% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points).

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage (continued)

Advances under the SVCP Facility from September 3, 2015 through July 31, 2016 bore interest at an annual rate equal to 1.75% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility from July 31, 2016 through the maturity date of the facility bear interest at an annual rate of 2.50% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). In addition to amounts due on outstanding debt, the SVCP Revolver accrues commitment fees of 0.20% per annum on the unused portion of the facility, or 0.25% per annum when less than $46.4 million in borrowings are outstanding. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should the Operating Company fail to satisfy certain financial or other covenants. As of June 30, 2017, the Operating Company was in full compliance with such covenants.

SBA Debentures

As of June 30, 2017, the SBIC was able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of June 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 June 30, 2017 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
Pooled loans:				
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 %*	
Non-pooled loans:				
June 5, 2017	September 20, 2017	14,000,000	1.55 %	0.36 %
		$ 75,000,000		

*Weighted-average interest rate on pooled loans

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage (continued)

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

		Unfunded Balances	
Issuer	**Maturity**	**June 30, 2017**	**December 31, 2016**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 750,000	$ 833,333
Alera Group Intermediate Holdings, Inc.	12/30/2022	636,443	759,547
Alpheus Communications, LLC	5/31/2018	357,419	357,419

AP Gaming I, LLC	12/20/2018	N/A	12,500,000
Asset International, Inc.	7/31/2020	1,325,721	1,325,721
Auto Trakk SPV, LLC	12/21/2021	3,827,058	3,827,058
Avanti Communications Group, PLC	11/30/2022	N/A	751,292
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	N/A	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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

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

		Unfunded Balances	
Issuer	**Maturity**	**June 30, 2017**	**December 31, 2016**
iGM RFE1 B.V.	10/12/2021	N/A	855,935
InMobi, Inc.	9/1/2018	N/A	7,500,000
Marketo, Inc.	8/16/2016	1,704,545	1,704,545
Mesa Airlines, Inc.	2/28/2022	N/A	9,268,182
Mesa Airlines, Inc.	12/31/2022	9,731,591	9,731,591
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	384,910	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	12,999,919	N/A
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Total Unfunded Balances		$ 63,499,633	$ 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 June 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 June 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 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 six months ended June 30, 2017 and 2016, expenses allocated pursuant to the Administration Agreements totaled $1.1 million and $0.8 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 six months ended June 30, 2017:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	302	$ 17.16 *	$ 5,181
April 25, 2017 public offering	5,750,000	16.84	93,597,500

* Weighted-average price per share

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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 six months ended June 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
				$ 0.72	$ 40,260,221

The following table summarizes the Company s dividends declared and paid for the six months ended June 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
				$ 0.72	$ 35,785,192

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 May 3, 2017, to be in effect through the earlier of two trading days after the Company s second quarter 2017 earnings release unless further extended or terminated by the Company s board of directors, or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

There were no share repurchases for the six months ended June 30, 2017.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

7. Stockholders' Equity and Dividends (continued)

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 six months ended June 30, 2017 and 2016:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net increase in net assets applicable to common shareholders resulting from operations	$ 20,227,533	$ 21,182,340	$ 39,663,089	$ 32,655,391
Weighted average shares outstanding	57,275,565	49,224,367	55,170,429	48,985,444
Earnings per share	$ 0.35	$ 0.43	$ 0.72	$ 0.67

9. Subsequent Events

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

On August 3, 2017, the Company s board of directors declared a third quarter regular dividend of $0.36 per share payable on September 29, 2017 to stockholders of record as of the close of business on September 15, 2017.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

10. Financial Highlights

	Six Months Ended June 30, 2017	2016
Per Common Share		
Per share NAV at beginning of period	$ 14.91	$ 14.78
Investment operations:		
Net investment income	1.01	0.94
Net realized and unrealized losses	(0.09)	(0.08)
Incentive allocation reserve and distributions	(0.20)	(0.19)
Total from investment operations	0.72	0.67
Issuance of common stock	0.13	0.01
Distributions to common shareholders from:		
Net investment income	(0.72)	(0.72)
Per share NAV at end of period	$ 15.04	$ 14.74
Per share market price at end of period	$ 16.90	$ 15.28
Total return based on market value[(1), (2)]	4.3 %	14.9 %
Total return based on net asset value[(1), (3)]	5.7 %	4.6 %
Shares outstanding at end of period	58,792,202	50,705,049
Ratios to average common equity:[(4)]		
Net investment income[(5)]	12.1 %	10.3 %
Expenses	7.1 %	6.7 %
Expenses and incentive allocation[(6)]	8.4 %	8.0 %
Ending common shareholder equity	$ 883,941,540	$ 747,191,097
Portfolio turnover rate	20.3 %	15.3 %
Weighted-average leverage outstanding	$ 594,592,354	$ 529,701,898
Weighted-average interest rate on leverage	4.5 %	3.6 %
Weighted-average number of common shares	55,170,429	48,985,444
Average leverage per share	$ 10.78	$ 10.81

(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.

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TCP Capital Corp.

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

Six Months Ended June 30, 2017

Security	Dividends or Interest[(2)]	Fair Value at December 31, 2016	Acquisitions[(3)]	Dispositions[(4)]	Fair Value at June 30, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 6,818,897	$ 4,088,248	$ —	$ 10,907,145
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	1,875,580	29,203,304	7,388,978	(1,000,000)	35,592,282
AGY Holding Corp., Common Stock	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	509,740	9,268,000	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	63,298	1,049,147	—	(1)	1,049,146
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	293,799	4,869,710	—	(133)	4,869,577
Anacomp, Inc., Class A Common Stock	—	1,205,306	—	(87,887)	1,117,419
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	736,901	12,101,483	717,986	(108,799)	12,710,670
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	124,745	2,846,246	121,560	—	2,967,806
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	50,119	—	3,368,589	—	3,368,589
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	1,123,591	—	(764,683)	358,908
EPMC HoldCo, LLC, Membership Units	—	210,035	—	—	210,035
Essex Ocean II, LLC, Membership Units	—	159,045	—	(159,045)	—
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	645,647	14,480,002	373	(1,115,117)	13,365,258

Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	41,922	—	1,900,733	—	1,900,733
Iracore Investments Holdings, Inc., Class A Common Stock	—	—	4,177,710	(1,058,297)	3,119,413
KAGY Holding Company, Inc., Series A Preferred Stock	—	4,607,246	4,475,409	—	9,082,655
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	1,205,714	21,276,653	357,318	(4,072,441)	17,561,530
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	275,782	4,000,000	6,480,774	(3,887,666)	6,593,108
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	1,395,350	233	(1,395,340)	243
RM Holdco, LLC, Equity Participation	—	—	—	—	—
RM Holdco, LLC, Membership Units	62,972	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	171,723	4,871,284	13,701	—	4,884,985
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	424,335	3,154,770	423,621	(2,668,782)	909,609
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	133,638	3,049,555	133,412	—	3,182,967
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	85,162	1,943,371	85,019	—	2,028,390
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	227,809	4,251,368	2,101,682	—	6,353,050
United N659UA-767, LLC (N659UA)	79,904	3,191,938	57,860	(191,720)	3,058,078
United N661UA-767, LLC (N661UA)	69,010	3,266,101	66,307	(200,910)	3,131,498
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, amortization of original issue and market discounts and net unrealized appreciation.

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

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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	Acquisitions[(3)]	Dispositions[(4)]	Fair Value at December 31, 2016
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 225,000	$ 6,656,342	$ (62,445)	$ 6,818,897
36th Street Capital Partners Holdings, LLC, Subordinated Promissory Note, 12%, due 11/1/20	1,921,851	900,000	28,303,304	—	29,203,304
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,268,000	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	20,074	—	1,049,147	—	1,049,147
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	594,088	4,869,577	133	—	4,869,710
Anacomp, Inc., Class A Common Stock	—	1,581,964	—	(376,658)	1,205,306
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,381,227	11,343,490	1,362,996	(605,003)	12,101,483
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	236,640	2,612,408	233,838	—	2,846,246
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	51,210	—	2,762,241	(2,762,241)	—
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	680,218	443,373	—	1,123,591
EPMC HoldCo, LLC, Membership Units	—	682,614	102,392	(574,971)	210,035
Essex Ocean II, LLC, Membership Units	—	200,686	65,438	(107,079)	159,045
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR	1,316,646	14,256,233	562,182	(338,413)	14,480,002

Floor, due 12/11/18					
KAGY Holding Company, Inc., Series A Preferred Stock	—	6,118,515	45,967	(1,557,236)	4,607,246
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	2,475,897	25,000,000	661,542	(4,384,889)	21,276,653
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	93,425	—	4,000,000	—	4,000,000
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	—	1,395,350	—	1,395,350
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	4,554	318,980	—	(318,980)	—
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	11,822	570,303	—	(570,303)	—
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	2,322	115,617	—	(115,617)	—
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	5,109	237,494	—	(237,494)	—
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	7,829	342,734	—	(342,734)	—
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,463	369,162	—	(369,162)	—
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	8,365	365,197	—	(365,197)	—
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,537	372,392	—	(372,392)	—
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	8,708	379,522	—	(379,522)	—
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	9,289	403,869	—	(403,869)	—
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	9,028	393,115	—	(393,115)	—
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	4,636	218,321	—	(218,321)	—
N913DL Equipment Trust Beneficial Interests	491,371	107,501	375	(107,876)	—
N918DL Equipment Trust Beneficial Interests	8,483	127,662	89,515	(217,177)	—
N954DL Equipment Trust Beneficial Interests	8,743	77,850	17,496	(95,346)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	2,433	(110,533)	—

N956DL Equipment Trust Beneficial Interests	8,362	104,478	2,571	(107,049)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	2,637	(107,966)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	2,702	(108,905)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	3,088	(109,025)	—
N961DL Equipment Trust Beneficial Interests	7,976	101,487	3,159	(104,646)	—

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Security	Dividends or Interest[(2)]	Fair Value at December 31, 2015	Acquisitions[(3)]	Dispositions[(4)]	Fair Value at December 31, 2016
N976DL Equipment Trust Beneficial Interests	8,635	100,793	755	(101,548)	—
RM Holdco, LLC, Equity Participation	—	—	—	—	—
RM Holdco, LLC, Membership Units	251,887	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	328,902	3,719,155	1,152,129	—	4,871,284
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	804,739	4,490,993	1,131,050	(2,467,273)	3,154,770
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	253,440	2,797,956	251,599	—	3,049,555
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	165,193	1,783,036	164,019	(3,684)	1,943,371
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	248,959	2,188,233	2,063,135	—	4,251,368
United N659UA-767, LLC (N659UA)	456,168	3,368,599	448,126	(624,787)	3,191,938
United N661UA-767, LLC (N661UA)	549,091	3,294,024	673,594	(701,517)	3,266,101
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	—	4,198,500	—	(2,668,500)	1,530,000

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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

(3) Acquisitions include new purchases, PIK income, amortization of original issue and market discounts and net unrealized appreciation.

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

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TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

June 30, 2017

Investment	Acquisition Date
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC, Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
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
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
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., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Iracore Investments Holdings, Inc., Class A Common Stock	5/8/13
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
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
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
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.

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)

June 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	$ —	$ 1,288,356,263	$ —	$ 1,288,356,263
Companies 5% to 25% owned	—	79,630,291	—	79,630,291
Companies more than 25% owned	—	77,961,302	—	77,961,302
Investment in subsidiary	1,125,926,346	—	(1,125,926,346)	—
Total investments	1,125,926,346	1,445,947,856	(1,125,926,346)	1,445,947,856
Cash and cash equivalents	—	41,573,835	—	41,573,835
Accrued interest income	—	15,161,528	—	15,161,528
Receivable for investments sold	—	14,142,637	—	14,142,637
Deferred debt issuance costs	—	4,094,377	—	4,094,377
Prepaid expenses and other assets	154,619	4,633,566	—	4,788,185
Total assets	1,126,080,965	1,525,553,799	(1,125,926,346)	1,525,708,418
Liabilities				
Debt, net of unamortized issuance costs	239,080,890	347,643,220	—	586,724,110
Payable for investment securities purchased	—	40,429,682	—	40,429,682
Incentive allocation payable	—	6,207,263	—	6,207,263
Interest payable	2,406,250	2,995,392	—	5,401,642
Payable to the Advisor	199,952	518,764	—	718,716
Unrealized depreciation on swaps	—	171,006	—	171,006
Accrued expenses and other liabilities	452,333	1,662,126	—	2,114,459
Total liabilities	242,139,425	399,627,453	—	641,766,878
Net assets	**$ 883,941,540**	**$ 1,125,926,346**	**$ (1,125,926,346)**	**$ 883,941,540**
Composition of net assets				
Common stock	$ 58,792	$ —	$ —	$ 58,792
Additional paid-in capital	1,038,023,581	1,273,621,817	(1,273,621,817)	$ 1,038,023,581

Accumulated deficit	(154,140,833)	(147,695,471)	147,695,471	$ (154,140,833)
Net assets	$ 883,941,540	$ 1,125,926,346	$ (1,125,926,346)	$ 883,941,540

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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)

Six Months Ended June 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	$ —	$ 77,864,793	$ —	77,864,793
Companies 5% to 25% owned	—	3,540,324	—	3,540,324
Companies more than 25% owned	—	3,357,076	—	3,357,076
Dividend income:				
Companies less than 5% owned	—	16,627	—	16,627
Lease income:				
Companies more than 25% owned	—	148,914	—	148,914
Other income:				
Companies less than 5% owned	—	614,422	—	614,422
Companies 5% to 25% owned	—	31,486	—	31,486
Total investment income	—	85,573,642	—	85,573,642
Operating expenses				
Interest and other debt expenses	7,299,941	8,350,713	—	15,650,654
Management and advisory fees	—	10,013,029	—	10,013,029
Administration expenses	—	1,133,406	—	1,133,406
Legal fees, professional fees and due diligence expenses	321,487	517,720	—	839,207
Director fees	103,638	204,371	—	308,009
Insurance expense	72,043	144,097	—	216,140
Custody fees	1,750	157,641	—	159,391
Other operating expenses	404,576	931,019	—	1,335,595
Total expenses	8,203,435	21,451,996	—	29,655,431
Net investment income (loss)	(8,203,435)	64,121,646	—	55,918,211
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized loss:				
Investments in companies less than 5% owned	—	(6,876,561)	—	(6,876,561)

Net realized loss	—	(6,876,561)	—	(6,876,561)
Change in net unrealized appreciation/depreciation	—	1,805,081	—	1,805,081
Net realized and unrealized loss	—	(5,071,480)	—	(5,071,480)
Net increase (decrease) in net assets from operations	(8,203,435)	59,050,166	—	50,846,731
Interest in earnings of subsidiary	47,866,524	—	(47,866,524)	—
Distributions of incentive allocation to the General Partner from net investment income	—	—	(11,183,642)	(11,183,642)
Net increase in net assets applicable to common equityholders resulting from operations	$ 39,663,089	$ 59,050,166	$ (59,050,166)	$ 39,663,089

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TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Six Months Ended June 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	$ —	$ 63,126,020	$ —	$ 63,126,020
Companies 5% to 25% owned	—	3,133,903	—	3,133,903
Companies more than 25% owned	—	1,377,699	—	1,377,699
Lease income:				
Companies more than 25% owned	—	1,425,856	—	1,425,856
Other income:				
Companies less than 5% owned	—	1,120,975	—	1,120,975
Total investment income	—	70,184,453	—	70,184,453
Operating expenses				
Interest and other debt expenses	3,611,841	7,767,167	—	11,379,008
Management and advisory fees	—	9,160,502	—	9,160,502
Legal fees, professional fees and due diligence expenses	689,903	543,708	—	1,233,611
Administration expenses	—	837,948	—	837,948
Director fees	64,878	136,902	—	201,780
Insurance expense	64,670	132,939	—	197,609
Custody fees	1,750	154,101	—	155,851
Other operating expenses	418,106	595,934	—	1,014,040
Total expenses	4,851,148	19,329,201	—	24,180,349
Net investment income (loss)	(4,851,148)	50,855,252	—	46,004,104
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	—	(3,726,522)	—	(3,726,522)
Investments in companies 5% to 25% owned	—	315,053	—	315,053
Investments in companies more than 25% owned	—	79,742	—	79,742
Net realized loss	—	(3,331,727)	—	(3,331,727)

Change in net unrealized appreciation/depreciation	—	(816,165)	—	(816,165)
Net realized and unrealized loss	—	(4,147,892)	—	(4,147,892)
Net increase (decrease) in net assets from operations	(4,851,148)	46,707,360	—	41,856,212
Interest in earnings of subsidiary	37,506,539	—	(37,506,539)	—
Distributions of incentive allocation to the General Partner from net investment income	—	—	(9,200,821)	(9,200,821)
Net increase in net assets applicable to common equityholders resulting from operations	$ 32,655,391	$ 46,707,360	$ (46,707,360)	$ 32,655,391

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

Consolidated Statements of Assets and Liabilities

	June 30, 2017 (unaudited)	December 31, 2016
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of $1,279,331,045 and $1,174,421,611, respectively)	$ 1,288,356,263	$ 1,175,097,468
Companies 5% to 25% owned (cost of $88,515,653 and $75,508,585, respectively)	79,630,291	69,355,808
Companies more than 25% owned (cost of $107,221,632 and $96,135,623, respectively)	77,961,302	70,516,594
Total investments (cost of $1,475,068,330 and $1,346,065,819, respectively)	1,445,947,856	1,314,969,870
Cash and cash equivalents	41,573,835	53,579,868
Accrued interest income:		
Companies less than 5% owned	13,636,626	12,713,025
Companies 5% to 25% owned	1,504,322	953,561
Companies more than 25% owned	20,580	25,608
Receivable for investments sold	14,142,637	—
Deferred debt issuance costs	4,094,377	3,828,784
Prepaid expenses and other assets	4,633,566	1,156,279
Total assets	1,525,553,799	1,387,226,995
Liabilities		
Debt, net of unamortized issuance costs	347,643,220	333,787,426
Payable for investments purchased	40,429,682	12,348,925
Incentive allocation payable	6,207,263	4,716,834
Interest payable	2,995,392	2,715,380
Payable to the Advisor	518,764	325,790
Unrealized depreciation on swaps	171,006	—
Accrued expenses and other liabilities	1,662,126	1,623,003
Total liabilities	399,627,453	355,517,358
Commitments and contingencies (Note 5)		
Net assets applicable to common limited and general partners	**$ 1,125,926,346**	**$ 1,031,709,637**

Composition of net assets applicable to common limited and general partners		
Paid-in capital in excess of par	$ 1,273,621,817	$ 1,180,024,317
Accumulated net investment income	23,455,363	17,764,674
Accumulated net realized losses	(141,839,193)	(134,962,632)
Accumulated net unrealized depreciation	(29,311,641)	(31,116,722)
Net assets applicable to common limited and general partners	$ 1,125,926,346	$ 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)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents (A)										
sing, Relations rketing										
are Labs,	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81%	10.06%	6/1/2020	$ 18,750,000	$ 18,357,457	$ 18,525,000	1.25
Inc. ore)	First Lien Delayed Draw Tranche 1 Term Loan (2.25% Exit Fee)	LIBOR (M)	0.33 %	10.17%	11.36%	12/31/2018	$ 15,000,000	14,780,901	15,153,750	1.02
								33,138,358	33,678,750	2.27
ortation										
r Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.44%	7/15/2022	$ 13,009,929	12,840,544	13,270,127	0.89
rlines,	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	—	7.25%	8.50%	12/14/2021	$ 15,441,370	15,201,748	15,392,739	1.03
rlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	8.50%	2/28/2022	$ 8,931,637	8,789,436	8,854,379	0.60
rlines,	Engine Acquisition	LIBOR (M)	—	7.25%	N/A	12/31/2022	$ —	—	—	–

	Delayed Draw Term Loan C									
								36,831,728	37,517,245	2.52
ment and ion										
uthern s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	9.80%	11/3/2020	$ 24,342,738	23,947,429	24,738,308	1.66
uthern s, LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.50% Cash +2.00% PIK	N/A	11/3/2020	$ —	(14,296)	13,913	–
								23,933,133	24,752,221	1.66
cturing										
Bros., Co.	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75%	7.00%	6/3/2021	$ 9,017,976	8,889,066	9,108,155	0.61
Bros., Co.	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.50%	6/3/2021	$ 9,345,317	9,223,363	9,504,187	0.64
								18,112,429	18,612,342	1.25
g ent tors										
atacom ical, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.73%	7/25/2021	$ 13,984,735	13,807,502	14,082,629	0.95
s Services										
e Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(8,153)	(10,600)	–
e Global ogies,	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	10.58%	11/30/2019	$ 23,000,000	22,761,767	22,939,050	1.54
rway ions, Inc. dvantage)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.45%	6/30/2023	$ 31,000,000	30,618,212	28,306,100	1.90
								53,371,826	51,234,550	3.44
als										
			—	10.63%	11.88%	2/1/2018	$ 4,450,665	4,440,793	4,450,665	0.30

Plant s s, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)								
iologics,	Sr Secured Delayed Draw Term Loan (12.4% Exit Fee)	Prime Rate	—	7.75%	12.00%	6/30/2019	$ 15,000,000	14,664,494	12,624,000	0.85
E1 B.V. ands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00%	9.30%	10/12/2021	$ 883,020	877,540	924,522	0.06
E1 B.V. ands)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.30%	10/12/2021	$ 3,816,276	3,791,996	3,995,641	0.27
E1 B.V. ands)	First Lien Term Loan	EURIBOR (Q)	—	8.00%	8.00%	10/12/2021	€ 6,459,119	7,055,942	7,727,059	0.52
, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81%	11.06%	4/1/2019	$ 10,000,000	9,551,633	9,759,000	0.66
								40,382,398	39,480,887	2.66
nications ent cturing										
mm , Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	8.88%	12/11/2018	$ 14,442,682	14,298,255	13,365,258	0.90
Related es										
Union ls, LLC	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.55%	4/21/2022	25,000,000	24,757,835	24,750,000	1.66
Business nce, LP urce)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.05%	12/20/2021	14,695,972	14,565,255	14,654,823	0.99
Business nce, LP urce)	Revolver	LIBOR (Q)	1.00 %	6.75%	8.05%	12/20/2021	286,445	280,393	284,565	0.02
								39,603,483	39,689,388	2.67

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investme
ents ued)										
ter Design ated s										
c.)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	8.05%	9/1/2022	$ 9,925,000	$ 9,750,050	$ 9,825,750	0.66 %
diate Corp.	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.20%	3/14/2024	$ 10,925,551	10,605,342	10,597,785	0.71 %
cket, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.13%	2/10/2021	$ 16,625,000	16,109,136	16,593,413	1.12 %
ionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00% Cash +2.00% PIK	9.31%	11/4/2019	$ 43,214,417	42,740,865	40,718,785	2.74 %
ionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.31%	11/4/2019	$ 3,182,143	3,182,143	2,998,374	0.20 %
, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.80%	8/16/2021	$ 23,295,455	22,698,196	23,178,977	1.56 %
, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	N/A	8/16/2021	$ —	(42,300)	(8,523)	—
terprise s, Ltd.)	First Lien Term Loan B	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 2,302,133	2,302,133	2,302,133	0.15 %
terprise s, Ltd.)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 10,266,667	10,230,295	10,266,667	0.69 %
A, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 3,714,267	3,714,267	3,714,267	0.25 %

	B									
A, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.20%	9/3/2018	$ 3,133,333	3,131,703	3,133,333	0.21 %
ll onal, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR (Q)	—	11.67%	12.86%	9/1/2018	$ 4,800,000	4,737,352	5,397,360	0.36 %
								129,159,182	128,718,321	8.65 %
pository)										
akk SPV,	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50 %	9.50%	10.66%	12/21/2021	$ 32,392,942	31,940,424	32,483,492	2.18 %
Home nc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.73%	6/30/2020	$ 15,555,556	15,388,977	15,915,556	1.07 %
an l Group n Islands)	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,584,707	29,251,558	1.97 %
nance I, Ltd. n Islands)	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 14,907,138	14,907,138	14,907,138	1.00 %
								90,821,246	92,557,744	6.22 %
ocessing sting s										
tion	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.09%	4/3/2022	$ 8,204,836	8,086,429	8,317,653	0.56 %
Centers, LC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 15,000,000	15,000,000	15,000,000	1.01 %
cure,	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.06%	5/1/2022	$ 12,082,640	11,905,258	11,901,400	0.80 %
cure,	Revolver	LIBOR (Q)	1.00 %	7.00%	N/A	5/1/2022	$ —	(19,492)	(20,138)	—
t, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.25%	8.48%	5/5/2025	$ 9,675,000	9,608,682	9,789,891	0.66 %
								44,580,877	44,988,806	3.03 %
onal t Services										
um, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ 3,368,586	3,368,586	3,368,589	0.23 %

um e s, LLC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,967,806	2,967,806	2,967,806	0.20 %
um e s, LLC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,696,842	13,257,966	12,710,670	0.85 %
								19,594,358	19,047,065	1.28 %
nic nent cturing										
nc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44 %	9.33%	10.52%	3/1/2018	$ 9,646,876	9,488,130	9,534,008	0.64 %
nc.	Tranche B Term Loan	LIBOR (M)	0.44 %	9.33%	10.52%	9/1/2017	$ 1,603,779	1,591,962	1,593,034	0.11 %
								11,080,092	11,127,042	0.75 %
ent										
eet Partners s, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 35,592,282	35,592,282	35,592,282	2.39 %
cean, plexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,696,898	1,696,898	1,148,121	0.08 %
								37,289,180	36,740,403	2.47 %
s Services										
ment	First Lien Term Loan B	LIBOR (Q)	1.25 %	6.75%	8.03%	3/15/2018	$ 1,109,000	1,089,361	1,097,910	0.07 %
Stores										
Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	8.80%	10.30%	10/8/2019	$ 7,728,367	7,698,801	7,805,651	0.52 %

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investment
ments nued)										
tals										
Iealthcare,	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.33%	2/6/2020	$ 14,792,003	$ 14,701,305	$ 14,939,923	1.00 %
: Coast ngs ment, LLC care)	First Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.73%	2/14/2021	$ 29,288,064	28,892,367	29,539,941	1.99 %
								43,593,672	44,479,864	2.99 %
ance										
Group ediate ngs, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	5.50%	6.71%	12/30/2022	$ 83,333	75,006	83,750	0.01 %
Group ediate ngs, Inc.	First Lien Revolver	LIBOR (Q)	1.00 %	5.50%	6.58%	12/30/2021	$ 123,103	115,541	123,103	0.01 %
Group ediate ngs, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	5.50%	6.55%	12/30/2022	$ 3,398,603	3,368,092	3,400,303	0.23 %
iation er ts ors, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.84%	6/8/2023	$ 8,277,983	8,127,178	8,215,898	0.55 %
ople o, LLC v ology)	First Lien FILO Term Loan	LIBOR (Q)	0.50 %	13.62%	14.91%	8/29/2019	$ 20,060,606	19,656,808	20,060,606	1.35 %
								31,342,625	31,883,660	2.15 %
rs of										

nancial ses										
ediate ngs 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	5/27/2022	$ 16,416,144	16,287,047	16,621,346	1.12 %
ediate ngs 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	5/27/2022	$ 3,393,862	3,368,190	3,436,285	0.23 %
ediate ngs 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	5/27/2022	$ 2,057,154	2,052,311	2,082,868	0.14 %
th Cole ctions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.65%	10.95%	3/21/2022	$ 34,427,465	34,098,301	34,045,320	2.29 %
								55,805,849	56,185,819	3.78 %
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	12.45%	6/16/2022	$ 24,262,102	23,313,021	23,315,880	1.57 %
Data & tics, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	10.06%	10/31/2019	$ 23,297,434	22,998,815	23,297,434	1.57 %
								46,311,836	46,613,314	3.14 %
n Picture ideo tries										
Holdings, CORE ainment)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00% PIK	9.30%	10/17/2022	$ 1,512,664	1,512,664	1,512,664	0.10 %
mation es										
ational,	Delayed Draw Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 1,251,626	1,230,728	1,257,884	0.08 %
ational,	Revolver Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 491,303	481,527	494,251	0.03 %
ational,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.80%	7/31/2020	$ 15,213,518	15,036,366	15,259,158	1.03 %
			0.50 %	10.50%	11.81%	12/11/2020	$ 2,970,509	2,926,492	3,022,492	0.20 %

ons rch, LLC	First Lien Term Loan	LIBOR (Q)								
								19,675,113	20,033,785	1.34 %
facturing										
Holding	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,577	0.33 %
Holding	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.62 %
Holding	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,146	0.07 %
								13,505,040	15,186,723	1.02 %
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	8,115,773	8,301,503	0.56 %
xtmedia , LLC	First Lien Term Loan B	LIBOR (M)	1.00 %	6.50%	7.75%	12/23/2021	$ 13,295,455	12,060,867	13,428,409	0.90 %
								20,152,640	21,729,912	1.46 %
Real e ties										
iations,	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	8.96%	10.26%	12/23/2019	$ 12,827,062	12,729,000	12,955,332	0.87 %
tone Select ngs, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.24%	4/17/2024	$ 25,202,549	24,953,154	24,950,523	1.68 %
								37,682,154	37,905,855	2.55 %

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	T C Inve
nents										
ications										
nologies,	Second Lien Term Loan	LIBOR (Q)	1.25 %	7.75%	9.00%	4/30/2021	$ 4,516,129	$ 4,470,968	$ 4,546,252	0
nologies,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25%	9.25%	6/20/2025	$ 24,000,000	23,760,000	24,165,000	1
								28,230,968	28,711,252	1
ng										
ational,	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
elevision										
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 5,740,000	5,740,000	4,061,050	0
ldco,	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.75%	10.04%	7/22/2020	$ 15,981,496	15,760,804	16,091,368	1
ldco,	Second Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.22%	1/23/2023	$ 11,536,391	11,507,550	11,615,704	0
								33,008,354	31,768,122	2
easing										
ancial LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50%	10.67%	1/12/2020	$ 15,000,000	14,856,914	14,703,000	0
s of	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.16%	10/13/2022	$ 5,000,000	4,910,899	5,050,000	0
								19,767,813	19,753,000	1
LC (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 2,028,390	2,028,390	2,028,390	0

LC (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/30/2018	$ 4,884,985	4,601,599	4,884,985	0
LC (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 10,106,771	10,106,771	909,609	0
LC (Real	Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 3,182,967	3,167,544	3,182,967	0
LC (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$ 6,353,050	6,353,050	6,353,050	0
								26,257,354	17,359,001	1
	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.68%	3/15/2021	$ 4,432,934	4,358,255	4,376,636	0
e	Super Priority Debtor-in-Possession	LIBOR (M)	1.00 %	11.00%	12.20%	12/11/2017	$ 12,778,227	12,583,815	12,778,227	0
								16,942,070	17,154,863	1
ications										
ons United	Sr New Money Initial Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 1,273,204	1,238,381	1,126,786	0
ons United	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00%	10.00%	10/1/2021	$ 3,248,857	3,162,750	2,875,239	0
ons United	Sr Secured Third-Priority Note	Fixed	—	12.00%	12.00%	10/1/2023	$ 6,729,804	3,381,991	2,624,624	0
								7,783,122	6,626,649	0
search ment										
ories,	Second Lien Term Loan	LIBOR (Q)	—	2.50%	3.67%	4/29/2020	$ 3,081,346	1,878,682	2,649,957	0
ngs, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.54%	11/3/2021	$ 36,915,301	36,319,490	36,961,445	2
								38,198,172	39,611,402	2
shings										
pet Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.15%	12/19/2019	$ 22,337,104	22,337,104	22,560,475	1
pet Mills,	First Lien Term Loan B	LIBOR (Q)	1.00 %	10.00%	11.15%	12/19/2019	$ 7,662,146	7,545,749	7,738,767	0
								29,882,853	30,299,242	2

t

ns, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	7.75%	9.05%	6/1/2025	$	7,611,914	7,535,841	7,726,092	0

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal or Shares		Cost		Fair Value	% To Cash Invest
ments												
blishing												
rnational zerland)	First Lien Term Loan	LIBOR (Q)	1.00 %	13.50%	14.81%	7/15/2017	$ 22,464,983	$	22,471,612	$	22,464,983	1.
	First Lien Term Loan	LIBOR (M)	1.00 %	7.50% Cash +1.00% PIK	9.75%	11/1/2020	$ 35,114,689		34,594,446		34,574,625	2.
SA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50% Cash +1.25% PIK	11.05%	1/31/2020	$ 30,427,390		30,108,475		29,963,373	2.
LC	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash +3.00% PIK	10.06%	3/31/2019	$ 36,505,910		36,226,717		36,861,842	2.
tional c. (United	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.24%	11/4/2021	$ 26,358,696		25,802,067		25,798,573	1.
c.	First Lien Term Loan	LIBOR (Q)	—	2.80% Cash +8.45% PIK	12.56%	1/26/2022	$ 18,866,692		18,287,336		18,506,338	1.
l US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.81%	12/31/2017	$ 5,621,605		5,587,194		5,624,416	0.
olutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	14.22%	9/10/2021	$ 11,513,362		11,223,852		11,729,238	0.
olutions)	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	14.22%	9/10/2021	$ 11,513,362		11,223,852		11,729,238	0.
oldings,	First Lien Delayed Draw Term	LIBOR (M)	—	8.88%	10.13%	9/1/2020	$ 11,470,517		10,714,811		10,882,003	0.

	Loan (7.0% Exit Fee)									
.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62 %	9.88%	11.06%	1/1/2019	$ 2,498,180	2,440,308	2,461,582	0.
								208,680,670	210,596,211	14.
m n										
olar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44%	12.69%	8/1/2020	$ 4,000,000	3,645,405	3,776,416	0.
olar, Inc.	First Lien Delay Draw Term Loan A	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
olar, Inc.	First Lien Delay Draw Term Loan B	LIBOR (M)	—	11.44%	N/A	8/1/2020	$ —	—	—	
newable 3, LLC	First Lien Term Loan	Fixed	—	9.00% Cash +1.00% PIK	10.00%	9/10/2017	$ 7,575,330	7,568,814	7,574,572	0.
Holdings nergy) ands)	Bank Guarantee Credit Facility	Fixed	—	8.20% Cash +3.50% PIK	11.70%	7/2/2018	$ 17,561,530	17,561,530	17,561,530	1.
Holdings nergy) ands)	Revolving Credit Facility	LIBOR (Q)	—	8.20%	9.50%	7/2/2018	$ 11,405,774	11,405,774	6,593,108	0.
								40,181,523	35,505,626	2.
C	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.80%	9/1/2021	$ 20,490,879	19,960,556	20,900,696	1.
nications										
ions,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.77%	5/31/2018	$ 327,646	324,389	324,206	0.
ions,	First Lien Delayed	LIBOR (M)	1.00 %	7.42%	8.67%	5/31/2018	$ 1,329,988	1,323,203	1,312,270	0.

	Draw FILO Term Loan									
ions,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.74%	5/31/2018	$ 7,158,978	7,087,808	7,083,809	0.
								8,735,400	8,720,285	0.
nications										
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	11,393,750	0.
								1,381,439,231	1,378,054,732	92.
rities										
Public d										
abs, Inc.	Warrants to Purchase Series E Preferred Stock						1,125,000	185,450	185,400	0.
	Warrants to Purchase Stock						1,049,996	276,492	483,103	0.
								461,942	668,503	0.

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

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	$ 3,070,035	$ 3,058,078	0.21 %	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	3,184,436	3,131,498	0.21 %	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843	855,313	3,524,111	0.24 %	C/E
								7,109,784	9,713,687	0.66 %	
Business Support Services											
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01 %	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	501,185	0.03 %	C/E
								556,370	644,318	0.04 %	
Chemicals											
Green Biologics, Inc.	Warrants to Purchase Stock						909,300	272,807	1,455	—	C/E
Nanosys, Inc.	Warrants to Purchase						800,000	605,266	832,160	0.06 %	C/E

	Common Stock					
			878,073	833,615	0.06 %	
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	500	—	B/C/E
Computer Systems Design and Related Services						
Waterfall International, Inc.	Series B Preferred Stock	1,428,571	1,000,000	971,000	0.07 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock	920,000	89,847	6,440	—	C/E
			1,089,847	977,440	0.07 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,049	1,117,418	0.08 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	24,209	—	C/E
			29,489,671	1,141,627	0.08 %	
Educational Support Services						
Edmentum Ultimate Holdings, LLC	Class A Common Units	159,515	680,226	358,908	0.03 %	B/C/E
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	681,838	0.05 %	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	21,521	—	E

			—	703,359	0.05 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	4,915	—	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	8,197,779	8,197,779	10,907,145	0.73 %	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	—	—	C/E/F
			8,301,177	10,907,145	0.73 %	
Financial Investment Activities						
GACP I, LP	Membership Units	22,128,907	22,218,711	22,571,579	1.52 %	E/I
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I
			22,391,405	22,573,266	1.52 %	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.02 %	B/E

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

ıer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares		Cost		Fair Value	% of Total Cash and Investments	Not
ıity Securities ntinued)													
tion Picture and eo Industries													
G Parent, LLC	Class A Units						2,720,392		2,772,807		3,330,032	0.22 %	C/E
G Parent, LLC	Class A Warrants to Purchase Class A Units						343,387		196,086		52,435	—	C/E
G Parent, LLC	Class B Warrants to Purchase Class A Units						346,794		198,032		52,955	—	C/E
									3,166,925		3,435,422	0.22 %	
ıer Information vices													
ındCloud, Ltd. ited Kingdom)	Warrants to Purchase Preferred Stock						946,498	$	79,082	$	45,811	—	C/E/I
ıer nufacturing													
Y Holding Corp.	Common Stock						1,333,527		—		—	—	B/C/I
GY Holding npany, Inc.	Series A Preferred Stock						9,778		1,091,200		9,082,655	0.61 %	B/C/I
									1,091,200		9,082,655	0.61 %	

stics nufacturing						
ore Investments dings, Inc.	Class A Common Stock	16,207	4,177,710	3,119,413	0.21 %	B/C/I
lio and Television oadcasting						
e Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	—	—	C/E
taurants						
Holdco, LLC al Mex)	Equity Participation	24	—	—	—	B/C/I
Holdco, LLC al Mex)	Membership Units	13,161,000	2,010,777	—	—	B/C/I
			2,010,777	—	—	
ail						
p Holding, LLC nnexity)	Class A Units	507,167	480,049	—	—	C/E
ellite ecommunications						
anti nmunications up, PLC (United gdom)	Common Stock	245,368	3,086	31,160	—	C/D/I
tware Publishing						
ifio, Inc.	Warrants to Purchase Series F Preferred Stock	1,052,651	188,770	188,846	0.01 %	C/E
ckline, Inc.	Common Stock	7,852	19,445	280,630	0.02 %	C/J
deshift, Inc.	Warrants to Purchase Series D Preferred Stock	1,712,930	577,843	506,685	0.03 %	C/E
idata, Inc.	Warrants to Purchase Preferred	719,998	216,336	57,312	—	C/E

	Stock					
			1,002,394	1,033,473	0.06 %	
ility System nstruction						
ssPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock	1,100,000	248,555	256,630	0.02 %	C/E
va Solar Holdings nited (Conergy) yman Islands)	Ordinary Shares	2,332,594	—	—	—	C/E/I
va Solar Holdings nited (Conergy) yman Islands)	Series B Preferred Shares	93,023	1,395,349	243	—	C/E/I
			1,643,904	256,873	0.02 %	
red ecommunications rriers						
Telecom Investment .A. (Vivacom) xembourg)	Common Shares	1,393	3,236,256	2,150,999	0.15 %	C/D/I
al Equity urities			93,629,099	67,893,124	4.57 %	
al Investments			$ 1,475,068,330	$ 1,445,947,856		

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Cash and Cash Equivalents											
Cash Held on Account at Various Institutions									21,573,835	1.45 %	
Wells Fargo Government Money Market Fund									13,000,000	0.87 %	
Morgan Stanley Institutional Liquidity Funds-Treasury Securities Portfolio									7,000,000	0.47 %	
Cash and Cash Equivalents									41,573,835	2.79 %	
Total Cash and Investments									$ 1,487,521,691	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 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.

(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.

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

Consolidated Schedule of Investments (Unaudited) (Continued)

June 30, 2017

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 $406,711,065 and $276,001,320, respectively, for the six months ended June 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 June 30, 2017 was $1,445,636,066 or 97.2% of total cash and investments of the Partnership. As of June 30, 2017, approximately 14.6% of the total assets of the Partnership were not qualifying assets under Section 55(a) of the 1940 Act.

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

Investment	Notional Amount	Fair Value
Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 5/31/2019	$ 7,270,250	$ (171,006)

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

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investment
ments (A)										
ies d to										
ediation										
s ss ence, LP source)	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 ss ence, LP source)	Revolver	LIBOR (Q)	1.00 %	6.75%	N/A	12/20/2021	$ —	(6,669)	(6,713)	—
ent, 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 %
ies d to Real										
ations,	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 %
tising and										
ons es										
, Inc. pore)	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. pore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
, Inc. pore)	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 %
portation										
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 ecreation										
ming I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$ —	(1,655,756)	(937,500)	(0.07)%
outhern gs, 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 %
outhern gs, 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 %

el 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 %
parel gs, 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 %
ng ment actors										
Datacom trical,	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$ —	—	—	—
Datacom trical,	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 rt es										
se Global ologies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$ —	(17,798)	70,000	0.01 %
se Global ologies,	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 %
airway itions, 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 %
cals										
Plant nts gs, 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. rlands)	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. rlands)	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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ments nued)										
ys, 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 ment facturing										
comm ns, 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 %
le ition Co. om)	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 %
uter ns Design elated es										
Inc. la)	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 %
socket, 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 %
Software ration	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 %
to, 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 %
to, Inc.	Senior	LIBOR	1.00 %	9.50%	10.50%	8/16/2021	$ —	(47,341)	21,307	—

	Secured Revolver	(Q)								
nterprise ons, Ltd. da)	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 %
nterprise ons, Ltd. da)	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 10,320,000	10,268,787	10,320,000	0.75 %
JSA, 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 %
JSA, 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 %
all tional, 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 %
Processing osting es										
a Centers, LLC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 6,876,756	6,876,756	6,876,756	0.50 %
ic Power ation, mission istribution										
ene able Fund 3, Conergy)	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 %
onic onent facturing										
Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (Q)	0.44 %	9.33%	10.15%	3/1/2018	$ 15,666,296	15,483,478	15,471,251	1.13 %
Inc.	Tranche B Term Loan	LIBOR (Q)	0.44 %	9.33%	10.15%	9/1/2017	$ 1,603,779	1,556,152	1,563,204	0.11 %
								17,039,630	17,034,455	1.24 %
ment g										
	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 29,203,304	29,203,304	29,203,304	2.13 %

treet l Partners gs, LLC											
Ocean, Solexel)	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 %
ies **rt Services**											
pment	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00%	3/15/2018	$	879,513	834,963	853,128	0.06 %
cial **ment** **ties**											
lia 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 %
ry 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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ments ued)										
als										
ealthcare,	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 %
Coast gs ment, LLC	Senior Secured 1st Lien Delayed Draw Term Loan	LIBOR (M)	2.00 %	9.70%	11.70%	10/23/2019	$ 10,828,233	10,806,929	10,828,233	0.79 %
								22,664,594	23,204,111	1.69 %
nce										
roup diate gs, Inc.	First Lien Delayed Draw Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ —	(8,333)	—	—
roup diate gs, Inc.	First Lien Revolver	Prime	—	4.50%	8.25%	12/30/2021	$ —	(7,595)	—	—
roup diate gs, Inc.	First Lien Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ 3,407,121	3,373,050	3,373,050	0.25 %
tion r s rs, 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 %
ldings,	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 %
ble , LLC logy)	First Lien Term Loan	LIBOR (Q)	0.50 %	13.62%	14.49%	8/29/2019	$ 20,015,152	19,533,393	20,015,152	1.46 %

								34,693,137	35,231,875	2.57 %
s of ancial es										
ediate gs 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 %
ediate gs 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	5/27/2022	$ 3,426,412	3,396,918	3,460,676	0.25 %
								19,831,359	20,200,000	1.47 %
ement, fic, and cal ting es										
Data & cs, 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 %
Picture deo ries										
oldings, CORE inment)	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 %
pository ediation										
rakk LC	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 %
Home Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00 %	6.50%	7.50%	6/30/2020	$ 13,333,333	13,136,017	13,133,333	0.96 %
ean al Group an)	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,568,148	29,108,170	2.13 %
rk al ance,	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 %
one Select gs, 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 %

finance g I, Ltd. an)	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	1.09 %
								121,889,596	122,238,506	8.93 %
ation s										
tional,	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 %
tional,	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 491,303	480,225	481,674	0.04 %
tional,	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 %
ns ch, 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 %
Cloud nited m)	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 %
gs, LLC Click)	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 %
								73,168,626	74,118,320	5.42 %
acturing										
olding	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,710	0.36 %
olding	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.68 %
olding	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,147	0.08 %
tus, 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 %

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estments d)										
g 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
blishing										
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
edia 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
munications										
echnologies,	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
euticals										
Medical Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	6.00%	7.00%	6/30/2022	$ 8,642,604	8,199,514	8,664,210	0.63
turing										
ternational,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	14,246,000	4,503,640	0.33
d Television ting										
C	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
ate Leasing										
rtners of Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.00%	10/13/2022	$ 5,000,000	4,902,332	5,000,000	0.37
nts										
o, 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
o, 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
o, 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
o, 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
o, 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
Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.50%	3/15/2021	$ 4,432,934	4,348,162	4,388,605	0.32
Mountain	Second Lien Term Loan	LIBOR (M)	—	9.50%	10.44%	6/15/2018	$ 14,740,910	14,618,096	14,749,754	1.08
boree on	First Lien Term Loan	LIBOR (Q)	—	10.25%	11.18%	9/24/2020	$ 12,857,349	12,618,039	13,050,209	0.95
Cole ns, 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
munications										
cations LC (United)	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	9,393,000	5,665,153	0.41

Research lopment										
oldings, 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										
nternational witzerland)	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
gital 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
n, Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	-
n 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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nents										
'ltimate .C	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,040,391	12,539,980	12,101,483	0.
isitionco,	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.
isitionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 3,182,143	3,182,143	3,213,964	0.
olutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,361	11,196,782	11,334,905	0.
olutions)	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,362	11,196,782	11,334,905	0.
	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.
	Convertible Promissory Note	Fixed	—	10.00%	10.00%	12/16/2017	$ 2,282,609	2,282,609	5,504,054	0.
.	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.
								205,348,625	209,864,270	15.
ishings										
pet 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.
pet Mills,	First Lien	LIBOR	1.00 %	10.00%	11.00%	12/19/2019	$ 7,822,482	7,681,925	7,830,304	0.

	Term Loan B	(Q)								
								30,486,450	30,657,633	2.
m n										
Holdings rman	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.
Holdings rman	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 4,000,000	4,000,000	4,000,000	0.
								25,276,420	25,276,653	1.
C	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.
nications										
ions,	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.
ions,	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.
ions,	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.
om c.	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.
ific 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.
								31,658,838	32,108,959	2.
nications										
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	10,900,000	0.
								1,254,861,949	1,248,887,808	91.

rities

and							
ions							
	Warrants to Purchase Stock	562,496	$	230,569	$	87,356	0.
rtation							
ed to es, Inc.							
UA-767, A)	Trust Beneficial Interests	683		3,250,956		3,191,938	0.
UA-767, A)	Trust Beneficial Interests	688		3,376,251		3,266,101	0.
c. (One	Warrants to Purchase Common Stock	1,843		855,313		1,909,600	0.
				7,482,520		8,367,639	0.
pport							
t, LLC	Membership Units	708,229		230,938		143,133	0.
/ C (First	Class A Units	841,479		325,432		1,112,351	0.
				556,370		1,255,484	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
Nanosys, Inc.	Warrants to Purchase Common Stock						800,000	605,266	611,920	0.05 %	C/E
								879,479	612,795	0.05 %	
Communications Equipment Manufacturing											
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units						5,000,000	5,000,000	1,530,000	0.11 %	B/C/E
Computer Systems Design and Related Services											
Waterfall International, Inc.	Series B Preferred Stock						1,428,571	1,000,000	1,145,286	0.08 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock						920,000	89,847	175,168	0.01 %	C/E
								1,089,847	1,320,454	0.09 %	
Data Processing and Hosting											

Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,205,306	0.09 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	366,489	0.03 %	C/E
			29,489,670	1,571,795	0.12 %	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	1,727,622	0.13 %	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	54,525	—	E
			—	1,782,147	0.13 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	5,222	—	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50 %	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01 %	C/E/F
			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
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I
			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

Motion Picture and Video Industries						
NEG Parent, LLC	Class A Units	1,182,779	$ 1,235,194	$ 1,292,023	0.09 %	C/E
NEG Parent, LLC	Class P Units	1,537,613	1,537,613	1,551,056	0.11 %	C/E
NEG Parent, LLC	Class A Warrants to Purchase Class A Units	343,387	196,086	196,086	0.01 %	C/E
NEG Parent, LLC	Class B Warrants to Purchase Class A Units	346,794	198,032	198,032	0.02 %	C/E
			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
Other Manufacturing						
AGY Holding Corp.	Common Stock	1,333,527	—	—	—	B/C/E
Boomerang Tube Holdings, Inc.	Common Stock	24,288	243	—	—	C/E
KAGY Holding Company, Inc.	Series A Preferred Stock	9,778	1,091,200	4,607,246	0.34 %	B/C/E
			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

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

Consolidated Schedule of Investments (Continued)

December 31, 2016

er	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	No
ty Securities tinued)											
aurants											
Holdco, LLC l Mex)	Equity Participation						24	—	—	—	B/C
Holdco, LLC l Mex)	Membership Units						13,161,000	2,010,777	—	—	B/C
								2,010,777	—	—	
il											
Holding, LLC nexity)	Class A Units						507,167	480,049	—	—	C/E
ware Publishing											
kline mediate, Inc.	Warrants to Purchase Common Stock						246,546	522,678	5,300,373	0.39 %	C/E
entum Ultimate ings, LLC	Class A Common Units						159,515	680,226	1,123,591	0.08 %	B/C
ta, Inc.	Warrants to Purchase Series F Preferred Stock						1,251,630	533,192	794,535	0.06 %	C/E
data, Inc.	Warrants to Purchase Stock						719,998	216,336	204,983	0.01 %	C/E
								1,952,432	7,423,482	0.54 %	
ty System struction											
a Solar Holdings ted (Cayman ds)	Ordinary Shares						2,332,594	—	—	—	C/E
							93,023	1,395,349	1,395,350	0.10 %	C/E

a Solar Holdings ted (Cayman ds)	Series B Preferred Shares					
			1,395,349	1,395,350	0.10 %	
ed communications riers						
ra Telecom, Inc.	Common Stock	1,274,522	$ 8,433,884	$ 6,533,964	0.48 %	C/E
ra Telecom, Inc.	Warrants	346,939	19,920	—	—	C/E
lecom Investment A. (Vivacom) embourg)	Common Shares	1,393	3,236,256	2,199,862	0.16 %	C/D
			11,690,060	8,733,826	0.64 %	
l Equity rities			91,203,870	66,082,062	4.83 %	
l Investments			$ 1,346,065,819	$ 1,314,969,870		
<u>and Cash valents</u>						
Held on Account rious Institutions				53,579,868	3.92 %	
and Cash valents				53,579,868	3.92 %	
l Cash and stments				$ 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)

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 (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.
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 June 30,		Six Months Ended June 30,	
	2017	**2016**	**2017**	**2016**
Investment income				
Interest income:				
Companies less than 5% owned	$ 42,446,339	$ 32,315,238	$ 77,864,793	$ 63,126,020
Companies 5% to 25% owned	1,813,901	1,601,175	3,540,324	3,133,903
Companies more than 25% owned	1,721,742	846,686	3,357,076	1,377,699
Dividend income:				
Companies less than 5% owned	16,627	—	16,627	—
Lease income:				
Companies more than 25% owned	74,457	649,785	148,914	1,425,856
Other income:				
Companies less than 5% owned	126,074	182,287	614,422	1,120,975
Companies 5% to 25% owned	31,486	—	31,486	—
Total investment income	46,230,626	35,595,171	85,573,642	70,184,453
Operating expenses				
Management and advisory fees	5,078,988	4,656,418	10,013,029	9,160,502
Interest and other debt expenses	4,252,051	3,918,174	8,350,713	7,767,167
Administrative expenses	566,703	416,212	1,133,406	837,948
Legal fees, professional fees and due diligence expenses	395,226	189,342	517,720	543,708
Director fees	97,725	60,990	204,371	132,939
Custody fees	76,629	74,451	157,641	154,101
Insurance expense	72,122	68,422	144,097	136,902
Other operating expenses	543,639	290,825	931,019	595,934
Total operating expenses	11,083,083	9,674,834	21,451,996	19,329,201
Net investment income	35,147,543	25,920,337	64,121,646	50,855,252
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	(1,789,103)	(782,817)	(6,876,561)	(3,726,522)
Investments in companies 5% to 25% owned	—	—	—	315,053

Investments in companies more than 25% owned	—	79,742	—	79,742
Net realized loss	(1,789,103)	(703,075)	(6,876,561)	(3,331,727)
Change in net unrealized appreciation/depreciation	(2,812,416)	3,378,436	1,805,081	(816,165)
Net realized and unrealized gain (loss)	(4,601,519)	2,675,361	(5,071,480)	(4,147,892)
Net increase in net assets applicable to common limited and general partners resulting from operations	$ 30,546,024	$ 28,595,698	$ 59,050,166	$ 46,707,360

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)

	Six Months Ended June 30, 2017 (Unaudited)		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of year	$ 1,031,709,637	$ 1,031,709,637	$ —
Contributions from common limited partner	93,597,500	93,597,500	—
Net investment income	64,121,646	52,938,004	11,183,642
Net realized loss	(6,876,561)	(6,876,561)	—
Change in unrealized appreciation/depreciation	1,805,081	1,805,081	—
Net increase in net assets applicable to common limited and general partners resulting from operations	59,050,166	47,866,524	11,183,642
Distributions to common limited and general partners from:			
Net investment income	(58,430,957)	(47,247,315)	(11,183,642)
Net assets applicable to common limited and general partners, end of period (including accumulated net investment income of $23,455,363 in the account of the Common Limited Partner)	$ 1,125,926,346	$ 1,125,926,346	$ —

	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 period (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)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating activities		
Net increase in net assets applicable to common limited and general partners resulting from operations	$ 59,050,166	$ 46,707,360
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	6,876,561	3,331,727
Change in net unrealized appreciation/depreciation of investments	(1,804,472)	309,427
Net amortization of investment discounts and premiums	(8,247,248)	(5,261,682)
Interest and dividend income paid in kind	(7,036,057)	(3,345,527)
Amortization of deferred debt issuance costs	1,004,700	925,716
Changes in assets and liabilities:		
Purchases of investment securities	(399,675,008)	(229,830,692)
Proceeds from sales, maturities and pay downs of investments	276,001,320	186,045,477
Increase in accrued interest income - companies less than 5% owned	2,154,323	850,517
Decrease in accrued interest income - companies 5% to 25% owned	(550,761)	(42,815)
Decrease (increase) in accrued interest income - companies more than 25% owned	5,028	(500,655)
Increase in receivable for investments sold	(14,142,637)	(27,666,936)
Decrease (increase) in prepaid expenses and other assets	(3,477,287)	1,498,799
Increase in payable for investments purchased	28,080,757	34,526,659
Increase in interest payable	280,012	84,959
Increase in payable to the Advisor	192,974	167,887
Increase (decrease) in accrued expenses and other liabilities	39,123	(227,785)
Net cash provided by (used in) operating activities	(61,248,506)	7,572,436
Financing activities		
Borrowings	158,000,000	181,700,000
Repayments of debt	(144,000,000)	(163,500,000)
Payments of debt issuance costs	(1,414,500)	(441,350)
Regular dividends paid to common shareholders	(47,247,315)	(42,865,253)
Repurchase of common shares	(9,693,212)	(9,781,682)
Proceeds from issuances of convertible debt	93,597,500	30,000,000
Net cash provided by (used in) financing activities	49,242,473	(4,888,285)

Net increase (decrease) in cash and cash equivalents		(12,006,033)		2,684,151
Cash and cash equivalents at beginning of period		53,579,868		35,629,435
Cash and cash equivalents at end of period	$	41,573,835	$	38,313,586
Supplemental cash flow information				
Interest payments	$	6,274,154	$	6,243,043

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)

June 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 eight persons, six 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)

June 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.

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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 June 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	$ —	$ —	$ 311,791
2	Other direct and indirect observable market inputs *	135,291,771	15,454,800	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,131,662,534	95,645,627	65,359,889
3	Advisor valuations with significant unobservable inputs	—	—	2,221,444
		$ 1,266,954,305	$ 111,100,427	$ 67,893,124

* 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 June 30, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 1,015,710,046	Income approach	Discount rate	6.6% – 22.5% (12.0%)
	58,361,708	Market quotations	Indicative bid/ask quotes	1 (1)
	26,882,534	Market comparable companies	Revenue multiples	0.4x – 3.1x (1.3x)
	30,708,246	Market comparable companies	EBITDA multiples	6.3x – 11.7x (8.5x)
Other Corporate Debt	86,377,627	Market quotations	Indicative bid/ask quotes	1 – 10 (5)

	9,268,000	Market comparable companies	EBITDA multiples	7.9x (7.9x)
Equity	6,189,576	Income approach	Discount rate	4.4% (4.4%)
	36,712,388	Market quotations	Indicative bid/ask quotes	1 (1)
	4,004,469	Market comparable companies	Revenue multiples	0.3x – 4.4x (2.0x)
	20,674,900	Market comparable companies	EBITDA multiples	3.5x – 15.3x (9.1x)
	$ 1,294,889,494			

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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 June 30, 2017 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,067,034,003	$ 104,393,541	$ 61,792,694
Net realized and unrealized gains (losses)	(13,511,770)	936,508	(2,436,978)
Acquisitions [*]	209,568,846	9,493,288	9,972,108
Dispositions	(111,764,964)	(19,177,710)	(3,872,433)
Transfers out of Level 3 [†]	(19,663,581)	—	—
Reclassifications within Level 3 [‡]	—	—	(95,502)
Ending balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
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)	$ (7,018,513)	$ 1,301,688	$ 898,052

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of one investment that was transferred to Level 2 due to increased observable market activity
‡ Comprised of one investment that was reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 84,659	$ —	$ 3,069,245
Net realized and unrealized gains (losses)	66,475	—	(943,303)
Acquisitions [*]	900	—	—
Dispositions	(152,034)	—	—
Reclassifications within Level 3 [†]	—	—	95,502

Ending balance	$ —	$ —	$ 2,221,444
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 678	$ —	$ (943,303)

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

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

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

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the six months ended June 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)	(15,884,043)	(1,345,426)	574,079
Acquisitions *	340,285,633	15,233,910	16,546,413
Dispositions	(198,225,998)	(20,177,710)	(14,404,855)
Transfers out of Level 3 †	(30,557,515)	—	—
Reclassifications within Level 3 ‡	—	—	(1,877,649)
Ending balance	$ 1,131,662,534	$ 95,645,627	$ 65,359,889
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)	$ (7,180,691)	$ (980,246)	$ 3,444,950

* 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	—	(1,216,366)
Acquisitions *	(20,962)	—	—
Dispositions	(152,034)	—	—
Reclassifications within Level 3 †	—	—	1,877,649
Ending balance	$ —	$ —	$ 2,221,444
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)	$ —	$ —	$ (1,216,366)

* 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 six months ended June 30, 2017.

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 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)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 974,241,847	$ 96,551,748	$ 51,794,409
Net realized and unrealized gains (losses)	4,991,751	(999,400)	(2,055,130)
Acquisitions [*]	85,456,122	6,918,955	7,650,882
Dispositions	(85,706,829)	—	(4,320,204)
Transfers out of Level 3 [†]	(5,492,400)	—	—
Transfers into Level 3 [‡]	12,883,874	5,776,480	—
Reclassifications within Level 3 [§]	—	—	(5,061)
Ending balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 5,680,176	$ (999,400)	$ (1,948,859)

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 316,437	$ —	$ 2,041,779
Net realized and unrealized gains (losses)	(170,072)	—	(191,504)
Reclassifications within Level 3 [*]	—	—	5,061
Ending balance	$ 146,365	$ —	$ 1,855,336
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)	$ (170,072)	$ —	$ (191,703)

* 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 June 30, 2016.

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the six months ended June 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)	4,491,020	(2,813,530)	(3,879,799)
Acquisitions [*]	181,713,809	15,970,303	14,224,626
Dispositions	(146,905,278)	—	(7,230,993)
Transfers out of Level 3 [†]	(5,492,400)	—	—
Transfers into Level 3 [‡]	44,599,877	5,776,480	—
Reclassifications within Level 3 [§]	—	—	(5,061)
Ending balance	$ 986,374,365	$ 108,247,783	$ 53,064,896
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	$ 5,356,789	$ (2,813,530)	$ (3,854,472)

* Includes payments received in kind and accretion of original issue and market discounts
† Comprised of one investment that transferred to Level 2 due to increased observable market activity
‡ Comprised of five investments 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	$ 1,124,504	$ —	$ 2,428,217
Net realized and unrealized gains (losses)	(926,442)	—	(263,132)
Acquisitions [*]	1,050,297	—	243
Dispositions	(1,101,994)	—	(315,053)
Reclassifications within Level 3 [†]	—	—	5,061
Ending balance	$ 146,365	$ —	$ 1,855,336
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)	$ (884,375)	$ —	$ (578,407)

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

(1) Comprised of one investment that reclassified from Independent Third-Party Valuation
There were no transfers between Level 1 and 2 during the six months ended June 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.

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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 June 30, 2017 and December 31, 2016, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at June 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 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 June 30, 2017, $0.2 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 six months ended June 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

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

Assets and Liabilities as unrealized depreciation on swaps. Gains and losses from derivatives during the six months ended June 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	$ —	$ (171,006)

During the six months ended June 30, 2016, the Partnership entered into a GBP put option with a notional amount of £2.7 million. During the six months ended June 30, 2016, the Partnership's interest rate cap with a notional amount of $25.0 million expired. Gains and losses from derivatives during the six months ended June 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	$ —	$ 417,504
Cross currency basis swap	—	(247,917)
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 placing and extending TCPC Funding s revolving credit 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.

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.

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

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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. As of June 30, 2017, all tax years of the Partnership, TCPC Funding and the SBIC since January 1, 2013 remain subject to examination by federal tax authorities. No such examinations are currently pending.

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

	June 30, 2017	December 31, 2016
Unrealized appreciation	$ 38,570,222	$ 33,945,996
Unrealized depreciation	(67,861,702)	(65,041,945)
Net unrealized depreciation	$ (29,291,480)	$ (31,095,949)
Cost	$ 1,475,068,330	$ 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 June 30, 2017 and December 31, 2016, $2.9 million and $2.7 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

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

June 30, 2017

2. Summary of Significant Accounting Policies – (continued)

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.

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 January 1, 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 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 June 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.

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Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage

Leverage is comprised of amounts outstanding under a term loan issued by the Partnership (the Term Loan), amounts outstanding under a senior secured revolving credit facility issued by the Partnership (the SVCP Revolver and together with the Term Loan, the SVCP Facility), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the TCPC Funding Facility), and debentures guaranteed by the SBA (the SBA Debentures).

Total leverage outstanding and available at June 30, 2017 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
TCPC Funding Facility	2021	L+2.50 %†	175,000,000	175,000,000	350,000,000
SBA Debentures	2024−2027	2.58 %‡	75,000,000	75,000,000	150,000,000
Total leverage			350,500,000	$ 366,000,000	$ 716,500,000
Unamortized issuance costs			(2,856,780)		
Debt, net of unamortized issuance costs			$ 347,643,220		

* 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 on pooled loans of $61.0 million, excluding fees of 0.36%. As of June 30, 2017, the remaining $14.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 1.56% plus fees of 0.36% through September 20, 2017, the date of the next SBA pooling.

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
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%

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

June 30, 2017

4. Leverage – (continued)

The combined weighted-average interest rates on total leverage outstanding at June 30, 2017 and December 31, 2016 were 3.43% and 3.23%, respectively.

Total expenses related to debt include:

	Six Months Ended June 30,	
	2017	**2016**
Interest expense	6,554,166	6,328,002
Amortization of deferred debt issuance costs	1,004,700	925,716
Commitment fees	791,847	513,449
Total	$ 8,350,713	$ 7,767,167

Amounts outstanding under the SVCP Facility, the TCPC Funding Facility and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of June 30, 2017, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values. The estimated fair values of the SVCP Facility, 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 June 30, 2017, the estimated fair values of the SVCP Facility, 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 $100.5 million fully-drawn senior secured term loan and a senior secured revolving credit facility which provides for amounts to be drawn up to $116.0 million, subject to certain collateral and other restrictions. The SVCP Facility matures on July 31, 2018. Most of the cash and investments held directly by the Partnership, as well as the net assets of TCPC Funding and the SBIC, are included in the collateral for the facility.

Advances under the SVCP Facility through July 31, 2014 bore interest at an annual rate equal to 0.44% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility for periods from July 31, 2014 through September 3, 2015 bore interest at an annual rate equal to 2.50% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility from September 3, 2015 through July 31, 2016 bore interest at an annual rate equal to 1.75% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the SVCP Facility from July 31, 2016 through the maturity date of the facility bear interest at an annual rate of 2.50% plus either LIBOR or the lender s cost of funds (subject to a cap of LIBOR plus 20 basis points). In addition to amounts due on outstanding debt, the SVCP Revolver accrues commitment fees of 0.20% per annum on the unused portion of the facility, or 0.25% per annum when less than $46.4 million in borrowings are outstanding. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should the Partnership fail to satisfy certain financial or other covenants. As of June 30, 2017, the Partnership was in full compliance with such covenants.

SBA Debentures

As of June 30, 2017, the SBIC was able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of June 30, 2017, the Partnership had committed $75.0 million of regulatory capital to the SBIC, all of which had been funded. SBA Debentures are

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(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements (Unaudited) (Continued)

June 30, 2017

4. Leverage – (continued)

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 June 30, 2017 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
Pooled loans:				
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 %*	
Non-pooled loans:				
June 5, 2017	September 20, 2017	14,000,000	1.55 %	0.36 %
		$ 75,000,000		

*Weighted-average interest rate on pooled loans

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 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

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

June 30, 2017

4. Leverage – (continued)

thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of June 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 June 30, 2017 and December 31, 2016 as follows:

		Unfunded Balances	
Issuer	**Maturity**	**June 30, 2017**	**December 31, 2016**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 750,000	$ 833,333
Alera Group Intermediate Holdings, Inc.	12/30/2022	636,443	759,547
Alpheus Communications, LLC	5/31/2018	357,419	357,419
AP Gaming I, LLC	12/20/2018	N/A	12,500,000
Asset International, Inc.	7/31/2020	1,325,721	1,325,721
Auto Trakk SPV, LLC	12/21/2021	3,827,058	3,827,058
Avanti Communications Group, PLC	11/30/2022	N/A	751,292
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	N/A	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.	9/1/2018	N/A	7,500,000
Marketo, Inc.	8/16/2016	1,704,545	1,704,545
Mesa Airlines, Inc.	2/28/2022	N/A	9,268,182
Mesa Airlines, Inc.	12/31/2022	9,731,591	9,731,591
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	384,910	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	12,999,919	N/A
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Total Unfunded Balances		$ 63,499,633	$ 66,674,093

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June 30, 2017

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 June 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 June 30, 2017 and December 31, 2016, amounts reimbursable to the Advisor totaled $0.5 million and $0.3 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to 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 six months ended June 30, 2017 and 2016, expenses allocated pursuant to the Administration Agreements totaled $1.1 million and $0.8 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 August 3, 2017, TCPC s board of directors declared a third quarter regular dividend of $0.36 per share payable on September 29, 2017 to stockholders of record as of the close of business on September 15, 2017.

9. Financial Highlights

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

	Six Months Ended June 30,	
	2017	**2016**
Return on invested assets [(1), (2)]	6.1 %	5.6 %
Gross return to common limited partner [(1)]	5.6 %	5.8 %
Less: General Partner incentive allocation [(1)]	(1.1)%	(1.2)%
Return to common limited partner [(1), (3)]	4.5 %	4.6 %
Ratios to average common equity: [(4)]		
Net investment income	12.0 %	10.0 %
Expenses	4.0 %	4.6 %

Expenses and General Partner allocation	5.0	%	5.7	%
Ending net assets attributable to common limited partner	$ 1,125,926,346		$ 852,096,887	
Portfolio turnover rate [1]	20.3	%	15.3	%
Weighted-average leverage outstanding	$ 350,975,138		$ 415,259,341	
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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Special Value Continuation Partners, LP
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Consolidated Schedule of Changes in Investments in Affiliates(1) (Unaudited)

Six Months Ended June 30, 2017

Security	Dividends or Interest (2)	Fair Value at December 31, 2016	Acquisitions (3)	Dispositions (4)	Fair Value at June 30, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 6,818,897	$ 4,088,248	$ —	$ 10,907,145
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	1,875,580	29,203,304	7,388,978	(1,000,000)	35,592,282
AGY Holding Corp., Common Stock	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	509,740	9,268,000	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	63,298	1,049,147	—	(1)	1,049,146
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	293,799	4,869,710	—	(133)	4,869,577
Anacomp, Inc., Class A Common Stock	—	1,205,306	—	(87,887)	1,117,419
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	736,901	12,101,483	717,986	(108,799)	12,710,670
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	124,745	2,846,246	121,560	—	2,967,806
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	50,119	—	3,368,589	—	3,368,589
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	1,123,591	—	(764,683)	358,908
EPMC HoldCo, LLC, Membership Units	—	210,035	—	—	210,035
Essex Ocean II, LLC, Membership Units	—	159,045	—	(159,045)	—
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	645,647	14,480,002	373	(1,115,117)	13,365,258
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	41,922	—	1,900,733	—	1,900,733

Iracore Investments Holdings, Inc., Class A Common Stock	—	—	4,177,710	(1,058,297)	3,119,413
KAGY Holding Company, Inc., Series A Preferred Stock	—	4,607,246	4,475,409	—	9,082,655
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	1,205,714	21,276,653	357,318	(4,072,441)	17,561,530
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	275,782	4,000,000	6,480,774	(3,887,666)	6,593,108
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	1,395,350	233	(1,395,340)	243
RM Holdco, LLC, Equity Participation	—	—	—	—	—
RM Holdco, LLC, Membership Units	62,972	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	171,723	4,871,284	13,701	—	4,884,985

Security	Dividends or Interest (2)	Fair Value at December 31, 2016	Acquisitions (3)	Dispositions (4)	Fair Value at June 30, 2017
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	424,335	3,154,770	423,621	(2,668,782)	909,609
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	133,638	3,049,555	133,412	—	3,182,967
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	85,162	1,943,371	85,019	—	2,028,390
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	227,809	4,251,368	2,101,682	—	6,353,050
United N659UA-767, LLC (N659UA)	79,904	3,191,938	57,860	(191,720)	3,058,078
United N661UA-767, LLC (N661UA)	69,010	3,266,101	66,307	(200,910)	3,131,498
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, amortization of original issue and market discounts and net unrealized appreciation.

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

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Consolidated Schedule of Changes in Investments in Affiliates[1]

Year Ended December 31, 2016

Security	Dividends or Interest[2]	Fair Value at December 31, 2015	Acquisitions[3]	Dispositions[4]	Fair Value at December 31, 2016
36th Street Capital Partners Holdings, LLC, Membership Units	$ —	$ 225,000	$ 6,656,342	$ (62,445)	$ 6,818,897
36th Street Capital Partners Holdings, LLC, Subordinated Promissory Note, 12%, due 11/1/20	1,921,851	900,000	28,303,304	—	29,203,304
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,268,000	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	20,074	—	1,049,147	—	1,049,147
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	594,088	4,869,577	133	—	4,869,710
Anacomp, Inc., Class A Common Stock	—	1,581,964	—	(376,658)	1,205,306
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,381,227	11,343,490	1,362,996	(605,003)	12,101,483
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	236,640	2,612,408	233,838	—	2,846,246
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	51,210	—	2,762,241	(2,762,241)	—
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	680,218	443,373	—	1,123,591
EPMC HoldCo, LLC, Membership Units	—	682,614	102,392	(574,971)	210,035
Essex Ocean II, LLC, Membership Units	—	200,686	65,438	(107,079)	159,045
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan,	1,316,646	14,256,233	562,182	(338,413)	14,480,002

LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18					
KAGY Holding Company, Inc., Series A Preferred Stock	—	6,118,515	45,967	(1,557,236)	4,607,246
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, 8.2% Cash + 3.5% PIK, due 7/2/17	2,475,897	25,000,000	661,542	(4,384,889)	21,276,653
Kawa Solar Holdings Limited, Revolving Credit Facility, 8.2%, due 7/2/17	93,425	—	4,000,000	—	4,000,000
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	—	1,395,350	—	1,395,350
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	4,554	318,980	—	(318,980)	—
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	11,822	570,303	—	(570,303)	—
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	2,322	115,617	—	(115,617)	—
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	5,109	237,494	—	(237,494)	—
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	7,829	342,734	—	(342,734)	—
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,463	369,162	—	(369,162)	—
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	8,365	365,197	—	(365,197)	—
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	8,537	372,392	—	(372,392)	—
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	8,708	379,522	—	(379,522)	—
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	9,289	403,869	—	(403,869)	—
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	9,028	393,115	—	(393,115)	—
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	4,636	218,321	—	(218,321)	—
N913DL Equipment Trust Beneficial Interests	491,371	107,501	375	(107,876)	—
N918DL Equipment Trust Beneficial Interests	8,483	127,662	89,515	(217,177)	—
N954DL Equipment Trust Beneficial Interests	8,743	77,850	17,496	(95,346)	—
	8,278	108,100	2,433	(110,533)	—

N955DL Equipment Trust
Beneficial Interests

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Security	Dividends or Interest[(2)]	Fair Value at December 31, 2015	Acquisitions[(3)]	Dispositions[(4)]	Fair Value at December 31, 2016
N956DL Equipment Trust Beneficial Interests	8,362	104,478	2,571	(107,049)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	2,637	(107,966)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	2,702	(108,905)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	3,088	(109,025)	—
N961DL Equipment Trust Beneficial Interests	7,976	101,487	3,159	(104,646)	—
N976DL Equipment Trust Beneficial Interests	8,635	100,793	755	(101,548)	—
RM Holdco, LLC, Equity Participation	—	—	—	—	—
RM Holdco, LLC, Membership Units	251,887	—	—	—	—
RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16	328,902	3,719,155	1,152,129	—	4,871,284
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	804,739	4,490,993	1,131,050	(2,467,273)	3,154,770
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	253,440	2,797,956	251,599	—	3,049,555
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	165,193	1,783,036	164,019	(3,684)	1,943,371
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	248,959	2,188,233	2,063,135	—	4,251,368
United N659UA-767, LLC (N659UA)	456,168	3,368,599	448,126	(624,787)	3,191,938
United N661UA-767, LLC (N661UA)	549,091	3,294,024	673,594	(701,517)	3,266,101
Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units	—	4,198,500	—	(2,668,500)	1,530,000

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

(1) The issuers of the securities listed on this schedule are considered affiliates under the Investment Company Act of 1940 due to the ownership by the 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, amortization of original issue and market discounts and net unrealized appreciation.

(4)

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

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Investment	Acquisition Date
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC, Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC, Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
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
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
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., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Iracore Investments Holdings, Inc., Class A Common Stock	5/8/13
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
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
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

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

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(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

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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,

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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.

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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

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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.

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

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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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