

TCP Capital Corp.
Form 10-Q
May 09, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarter Ended March 31, 2018

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

Commission File Number: 814-00899

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

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

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

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

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

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

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

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

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

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

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller Reporting company
Emerging growth company

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

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

The number of shares of the Registrant's common stock, \$0.001 par value, outstanding as of May 8, 2018 was 58,825,849.

TCP CAPITAL CORP.

FORM 10-Q

FOR THE THREE MONTHS ENDED MARCH 31, 2018

TABLE OF CONTENTS

Part I. Financial Information

Item 1. Financial Statements

<u>Consolidated Statements of Assets and Liabilities as of March 31, 2018 (unaudited) and December 31, 2017</u>	<u>2</u>
<u>Consolidated Schedule of Investments as of March 31, 2018 (unaudited) and December 31, 2017</u>	<u>3</u>
<u>Consolidated Statements of Operations for the three months ended March 31, 2018 (unaudited) and three months ended March 31, 2017 (unaudited)</u>	<u>20</u>
<u>Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2018 (unaudited) and year ended December 31, 2017</u>	<u>21</u>
<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2018 (unaudited) and March 31, 2017 (unaudited)</u>	<u>22</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>23</u>
<u>Consolidated Schedule of Changes in Investments in Affiliates for the three months ended March 31, 2018 (unaudited) and year ended December 31, 2017</u>	<u>47</u>
<u>Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of March 31, 2018 (unaudited) and December 31, 2017</u>	<u>49</u>
<u>Consolidating Statements of Assets and Liabilities as of March 31, 2018 (unaudited) and December 31, 2017</u>	<u>51</u>
<u>Consolidating Statements of Operations for the three months ended March 31, 2018 (unaudited) and March 31, 2017 (unaudited)</u>	<u>53</u>

Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>55</u>
--	-----------

Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>70</u>
---	-----------

Item 4. <u>Controls and Procedures</u>	<u>71</u>
--	-----------

Part II. Other Information

Item 1. <u>Legal Proceedings</u>	<u>72</u>
----------------------------------	-----------

Item 1A. <u>Risk Factors</u>	<u>72</u>
------------------------------	-----------

Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>72</u>
--	-----------

Item 3. <u>Defaults upon Senior Securities</u>	<u>72</u>
--	-----------

Item 4. <u>Mine Safety Disclosures</u>	<u>72</u>
--	-----------

Item 5. <u>Other Information</u>	<u>72</u>
----------------------------------	-----------

Item 6. <u>Exhibits</u>	<u>73</u>
-------------------------	-----------

TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of \$1,446,893,939 and \$1,356,459,251, respectively)	\$1,461,952,420	\$1,362,514,206
Companies 5% to 25% owned (cost of \$95,001,060 and \$84,153,698, respectively)	82,901,931	75,635,342
Companies more than 25% owned (cost of \$105,442,881 and \$106,543,799, respectively)	75,533,774	76,383,155
Total investments (cost of \$1,647,337,880 and \$1,547,156,748, respectively)	1,620,388,125	1,514,532,703
Cash and cash equivalents (including restricted cash of \$0 and \$798,108, respectively)	13,736,624	86,625,237
Accrued interest income:		
Companies less than 5% owned	19,618,490	18,533,095
Companies 5% to 25% owned	1,141,466	817,984
Companies more than 25% owned	386,628	16,859
Deferred debt issuance costs	4,200,912	3,276,838
Receivable for investments sold	198,662	431,483
Prepaid expenses and other assets	5,944,857	5,188,169
Total assets	1,665,615,764	1,629,422,368
Liabilities		
Debt, net of unamortized issuance costs of \$8,454,219 and \$8,624,072, respectively	768,655,455	725,200,281
Management and advisory fees payable	5,552,866	—
Incentive compensation payable	5,391,278	5,983,135
Interest payable	5,164,199	7,771,537
Payable for investments purchased	1,405,087	16,474,632
Payable to the Advisor	823,461	800,703
Unrealized depreciation on swaps	—	603,745
Accrued expenses and other liabilities	2,048,403	1,860,209
Total liabilities	789,040,749	758,694,242
Commitments and contingencies (Note 5)		
Net assets applicable to common shareholders	\$876,575,015	\$870,728,126
Composition of net assets applicable to common shareholders		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 58,836,148 and 58,847,256 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	\$58,836	\$58,847
Paid-in capital in excess of par	1,038,698,067	1,038,855,948
Accumulated net investment income	4,824,877	4,443,768
Accumulated net realized losses	(140,023,479)	(139,390,703)
Accumulated net unrealized depreciation	(26,983,286)	(33,239,734)

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

Net assets applicable to common shareholders	\$876,575,015	\$870,728,126
Net assets per share	\$14.90	\$14.80

See accompanying notes to the consolidated financial statements.

2

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
Debt Investments (A)									
Advertising, Public Relations and Marketing									
Foursquare Labs, Inc.	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81	% 10.88 %	6/1/2020	\$22,500,000	\$22,200,816	\$22,168,125
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (4.0% Exit Fee)	LIBOR (M)	1.37 %	8.13	% 10.19 %	12/31/2019	\$30,469,223	30,086,305	30,056,366
Videology Media Technologies, LLC	First Lien UK Revolver (3.0% Exit Fee)	LIBOR (M)	1.00 %	13.00	% 15.01 %	1/10/2020	\$6,079,428	6,079,428	6,079,428
Videology Media Technologies, LLC	First Lien US Revolver (3.0% Exit Fee)	LIBOR (M)	1.00 %	11.50	% 13.51 %	1/10/2020	\$1,419,447	1,419,447	1,419,447
								59,785,996	59,723,366
Air Transportation									
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	—	7.25	% 9.19 %	12/14/2021	\$14,193,570	14,007,565	14,356,796
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25	% 9.19 %	2/28/2022	\$8,307,737	8,194,866	8,367,968
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term	LIBOR (M)	—	7.25	% 9.19 %	7/31/2022	\$3,455,358	3,407,956	3,442,055

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

Mesa Airlines, Inc.	Loan C Engine Acquisition Delayed Draw Term	LIBOR (M)	—	7.25	% 9.19	% 9/30/2022	\$5,287,305	5,204,400	5,243,420
Mesa Airlines, Inc.	Loan C-1 Engine Acquisition Term loan C-3	LIBOR (M)	—	7.25	% 9.19	% 2/28/2023	\$1,484,178	1,458,715	1,458,204
								32,273,502	32,868,443
Amusement and Recreation Machine Zone, Inc.	First Lien Term Loan	LIBOR (M)	—	8.50	% 10.17%	2/1/2021	\$5,433,346	5,354,531	5,351,846
VSS-Southern Holdings, LLC (Southern Theatres)	First Lien Term Loan	LIBOR (Q)	1.00%	6.50% Cash + 2.00%PIK	10.80%	11/3/2020	\$24,191,839	23,877,204	24,639,388
VSS-Southern Holdings, LLC (Southern Theatres)	Sr Secured Revolver	LIBOR (Q)	1.00%	6.50% Cash + 2.00%PIK	N/A	11/3/2020	\$—	(10,882)	—
								29,220,853	29,991,234
Building Equipment Contractors Hylan Datacom & Electrical, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	7.50	% 9.38	% 7/25/2021	\$14,332,924	14,190,533	14,533,585
Business Support Services Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52	% N/A	11/30/2018	\$—	—	—
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23%	9.27	% 10.96%	11/30/2019	\$22,375,000	22,200,576	22,375,000
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00%	9.25	% 11.23%	6/30/2023	\$31,000,000	30,654,646	31,000,000
								52,855,222	53,375,000
Chemicals Green Biologics, Inc.	Convertible Note	Fixed	—	10.00% PIK	10.00%	6/30/2019	\$10,500,000	10,460,710	5,546,191
Green Biologics, Inc.	Sr Secured Term Loan (12.4 %	Fixed	—	10.00% PIK	10.00%	12/31/2020	\$5,522,187	5,485,914	3,293,708

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

Green Biologics, Inc.	Exit Fee) Super Secured Term Loan (100.0% Exit Fee)	Fixed	—	10.00% PIK	10.00%	6/30/2019	\$1,500,000	1,500,000	2,759,775
iGM RFE1 B.V. (Netherlands)	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	8.00	% 10.30%	10/12/2021	\$866,253	861,687	888,429
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	LIBOR (Q)	—	8.00	% 10.30%	10/12/2021	\$3,743,815	3,723,579	3,839,657
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	EURIBOR (Q)	—	8.00	% 8.00 %	10/12/2021	\$6,336,478	6,921,969	7,993,391
Nanosys, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81	% 11.88%	4/1/2019	\$7,390,348	7,185,465	7,321,618
								36,139,324	31,642,769

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investm
Debt Investments (continued)										
Communications Equipment Manufacturing										
Globecomm Systems, Inc.	First Lien Incremental Term Loan	LIBOR (Q)	1.25%	7.63	% 9.75	% 12/21/2021	\$180,455	\$175,812	\$180,456	0.01%
Globecomm Systems, Inc.	First Tranche Term Loan	LIBOR (Q)	1.25%	5.50	% 7.63	% 12/11/2021	\$7,327,125	7,327,125	7,327,125	0.45%
Globecomm Systems, Inc.	Second Tranche Term Loan	LIBOR (Q)	1.25%	8.00	% 10.13%	12/11/2021	\$2,457,375	2,457,375	2,457,375	0.15%
Globecomm Systems, Inc.	Third Tranche Term Loan	Fixed	—	12.50% PIK	12.50%	12/11/2021	\$1,287,000	1,287,000	1,287,000	0.08%
Globecomm Systems, Inc.	Fourth Tranche Term Loan	Fixed	—	12.50% PIK	12.50%	12/11/2021	\$2,326,500	2,326,500	2,179,698	0.13%
								13,573,812	13,431,654	0.82%
Computer Systems Design and Related Services										
Aptos Inc. (Canada)	First Lien Incremental Term Loan	LIBOR (Q)	1.00%	6.75	% 9.05	% 9/1/2022	\$7,868,619	7,763,682	7,789,933	0.48%
Aptos Inc. (Canada)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75	% 9.05	% 9/1/2022	\$9,775,000	9,625,155	9,677,250	0.59%
Bracket Intermediate Holding Corp.	Second Lien Term Loan	LIBOR (Q)	1.00%	9.00	% 10.98%	3/14/2024	\$10,925,551	10,632,448	10,767,131	0.66%
Fidelis Acquisitionco, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.00%Cash + 2.00%PIK	9.75	% 11/4/2019	\$43,662,120	43,329,549	40,588,307	2.48%
Fidelis Acquisitionco, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00	% 9.75	% 11/4/2019	\$3,182,143	3,182,143	2,958,120	0.18%
								74,532,977	71,780,741	4.39%
Credit (Nondepository)										
Auto Trakk SPV, LLC	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50%	9.50	% 11.28%	12/21/2021	\$22,432,442	22,116,028	22,564,283	1.38%

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

Caliber Home Loans, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	6.50	% 8.39	% 6/30/2020	\$19,111,111	18,979,608	19,111,111	1.17%
CFG Investments Limited (Caribbean Financial Group) (Cayman Islands)	Subordinated Class B Notes	Fixed	—	9.42	% 9.42	% 11/15/2026	\$28,314,000	27,432,257	29,235,904	1.79%
								68,527,893	70,911,298	4.34%
Credit Related Activities										
Pegasus Business Intelligence, LP (Onyx Centersource)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75	% 9.06	% 12/20/2021	\$14,585,198	14,476,804	15,022,754	0.92%
Pegasus Business Intelligence, LP (Onyx Centersource)	Revolver	LIBOR (Q)	1.00%	6.75	% N/A	12/20/2021	\$—	(5,067)	—	—
Pacific Union Financial, LLC	First Lien Term Loan	LIBOR (M)	1.00%	7.50	% 9.16	% 4/21/2022	\$25,000,000	24,795,703	25,000,000	1.53%
								39,267,440	40,022,754	2.45%
Data Processing and Hosting Services										
Applause App Quality, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	6.50	% 8.24	% 9/20/2022	\$22,647,306	22,230,700	22,595,217	1.38%
Applause App Quality, Inc.	Sr Secured Revolver	LIBOR (M)	1.00%	6.50	% N/A	9/20/2022	\$—	(27,011)	(3,473)	—
Datto, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	8.00	% 9.72	% 12/7/2022	\$32,792,848	32,177,476	32,415,731	1.98%
Datto, Inc.	Sr Secured Revolver	LIBOR (M)	1.00%	8.00	% N/A	12/7/2022	\$—	(41,369)	(30,900)	—
DigiCert Holdings, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.77	% 10/31/2025	\$11,988,526	11,952,860	12,125,256	0.74%
Domo, Inc.	First Lien Delayed Draw Term Loan (4.5% Exit Fee)	LIBOR (M)	—	5.50%Cash + 2.50%PIK	10.06%	2/1/2021	\$25,647,502	25,051,800	25,873,106	1.58%
Internap Corporation	First Lien Incremental Term Loan	LIBOR (M)	1.00%	5.75	% 7.47	% 4/6/2022	\$3,819,303	3,800,283	3,860,685	0.24%
Internap Corporation	First Lien Term Loan	LIBOR (M)	1.00%	5.75	% 7.47	% 4/6/2022	\$3,155,863	3,116,827	3,190,057	0.20%
Intralinks, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.88	% 11/14/2025	\$4,045,291	4,006,859	4,090,801	0.25%
			1.00%	7.00	% 8.70	% 5/1/2022	\$11,901,400	11,755,527	11,788,337	0.72%

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

Pulse Secure, LLC	First Lien Term Loan	LIBOR (Q)										
Pulse Secure, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	7.00	%	N/A	5/1/2022	\$—	(16,486)	(12,754)	—	
SnapLogic, Inc.	First Lien Term Loan	LIBOR (M)	—	7.81%Cash + 2.00%PIK		12.00%	3/1/2022	\$21,000,000	20,624,017	20,620,593	1.26%	
TierPoint, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	7.25	%	9.13 %	5/5/2025	\$9,675,000	9,609,701	9,726,374	0.60%	
									144,241,184	146,239,038	0.95%	

4

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Ca an Inv
Debt Investments (continued)										
Educational Support Services										
Edmentum, Inc.	Junior Revolving Facility	Fixed	—	5.00	% 5.00	% 6/9/2020	\$3,368,586	\$3,368,586	\$3,368,591	0.2
Edmentum, Inc.	Second Lien Term Loan	Fixed	—	7.00% PIK	7.00	% 12/8/2021	\$7,355,730	7,355,730	7,355,737	0.4
Edmentum Ultimate Holdings, LLC	Sr PIK Notes	Fixed	—	8.50	% 8.50	% 6/9/2020	\$3,166,903	3,166,903	3,166,903	0.1
Edmentum Ultimate Holdings, LLC	Jr PIK Notes	Fixed	—	10.00	% 10.00	% 6/9/2020	\$14,782,001	14,444,194	10,347,417	0.6
								28,335,413	24,238,648	1.4
Electronic Component Manufacturing										
Soraa, Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44%	9.33	% 11.40	% 6/30/2018	\$7,570,571	7,525,441	7,394,555	0.4
Soraa, Inc.	Tranche B Term Loan	LIBOR (M)	0.44%	9.33	% 11.40	% 6/30/2018	\$1,603,779	1,590,916	1,582,128	0.1
								9,116,357	8,976,683	0.5
Equipment Leasing										
36th Street Capital Partners Holdings, LLC										
Partners Holdings, LLC	Senior Note	Fixed	—	12.00	% 12.00	% 11/1/2020	\$29,912,842	29,912,841	29,912,839	1.8
Financial Investment Activities										
Credit Suisse AG (Cayman Islands)	Asset-Backed Credit Linked Notes	LIBOR (Q)	—	9.50	% 11.80	% 4/12/2025	\$38,000,000	38,000,000	38,000,000	2.3
HighTower Holding, LLC	Second Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	8.25	% N/A	1/31/2026	\$—	(135,903)	(138,810)	(0.0)

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

HighTower Holding, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	8.25	% 9.92	% 1/31/2026	\$15,080,645	14,675,020	14,665,927	0.9
Institutional Shareholder Services, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.75	% 9.47	% 10/16/2025	\$9,333,333	9,289,979	9,426,667	0.5
Health Care Pacific Coast Holdings Investment, LLC (KPC Healthcare)	First Lien Term Loan	LIBOR (M)	1.00%	7.50	% 9.38	% 2/14/2021	\$29,288,064	28,971,869	30,146,204	1.8
Insurance	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	5.50	% 7.16	% 12/30/2022	\$831,979	824,187	831,979	0.0
Alera Group Intermediate Holdings, Inc.	First Lien Revolver	LIBOR (M)	1.00%	5.50	% N/A	12/30/2021	\$—	(7,558)) —	—
Alera Group Intermediate Holdings, Inc. Association	First Lien Term Loan	LIBOR (M)	1.00%	5.50	% 7.16	% 12/30/2022	\$3,373,050	3,346,802	3,373,050	0.2
Member Benefits Advisors, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	8.75	% 10.62	% 6/8/2023	\$8,277,983	8,144,511	8,277,983	0.5
Higginbotham Insurance Agency, Inc.	Second Lien Term Loan	LIBOR (M)	1.00%	7.25	% 9.13	% 12/19/2025	\$9,850,547	9,759,172	9,825,920	0.6
IAS Investco, Inc.	First Lien Delayed Draw Term Loan A	LIBOR (M)	1.00%	5.50	% 7.38	% 1/24/2021	\$5,828,571	5,776,040	5,787,771	0.3
IAS Investco, Inc.	First Lien Delayed Draw Term Loan B	LIBOR (M)	1.00%	5.50	% N/A	1/24/2021	\$—	(15,598)) (12,000)	—
IAS Investco, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	5.50	% 7.38	% 1/24/2021	\$4,345,714	4,306,455	4,315,294	0.2
US Apple Holdco, LLC (Ventiv Technology)	First Lien FILO Term Loan	LIBOR (Q)	0.50%	13.62	% 15.33	% 8/29/2019	\$20,090,909	19,815,257	20,090,909	1.2
US Apple Holdco, LLC (Ventiv Technology)	First Lien Incremental Tranche B FILO Term Loan	LIBOR (Q)	0.50%	13.62	% 15.43	% 8/29/2019	\$4,330,200	4,273,447	4,330,200	0.2

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

								56,222,715	56,821,106	3.4
Lessors of Nonfinancial Licenses										
ABG										
Intermediate										
Holdings 2, LLC (Authentic Brands)	Second Lien Term Loan	LIBOR (Q)	1.00%	7.75	% 10.05%	9/29/2025	\$15,000,000	14,897,537	15,243,756	0.9
Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.65	% 11.64%	3/21/2022	\$31,337,820	31,085,709	31,096,519	1.9
								45,983,246	46,340,275	2.8
Management, Scientific, and Technical Consulting Services										
Asentinel, LLC (Tangoe)	First Lien Last Out Term Loan	LIBOR (M)	1.00%	10.77%Cash +0.50%PIK	13.57%	6/16/2022	\$24,239,224	23,403,376	23,815,038	1.4
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75	% 10.50%	10/31/2019	\$22,599,357	22,427,488	22,599,357	1.3
								45,830,864	46,414,395	2.8

5

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
Debt Investments (continued)									
Metal Manufacturing									
Neenah Foundry Company	First Lien Term Loan B	LIBOR (Q)	—	6.50 %	7.49 %	12/13/2022	\$5,799,150	\$5,743,459	\$5,770,155
Motion Picture and Video Industries									
NEG Holdings, LLC (CORE Entertainment, Inc.)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00 % PIK	10.30 %	10/17/2022	\$1,455,210	1,455,210	1,455,210
Other Information Services									
Discoverorg, LLC	Second Lien Incremental Term Loan	LIBOR (M)	1.00 %	8.50 %	10.39 %	2/26/2024	\$3,419,277	3,402,428	3,415,857
Discoverorg, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	8.50 %	10.39 %	2/26/2024	\$12,839,252	12,727,607	12,826,413
								16,130,035	16,242,270
Other Manufacturing									
AGY Holding Corp.	Sr Secured Term Loan	Fixed	—	12.00 %	12.00 %	5/18/2020	\$4,869,577	4,869,577	4,869,577
AGY Holding Corp.	Second Lien Notes	Fixed	—	11.00 %	11.00 %	11/15/2020	\$9,268,000	7,586,317	9,268,000
AGY Holding Corp.	Delayed Draw Term Loan	Fixed	—	12.00 %	12.00 %	5/18/2020	\$1,049,146	1,049,146	1,049,146
								13,505,040	15,186,723
Other Real Estate Activities									
Associations, Inc.	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	8.96 %	11.26 %	12/23/2019	\$12,727,147	12,659,953	12,727,147
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00 %	9.76 %	4/17/2024	\$25,202,549	24,969,647	26,185,448
								37,629,600	38,912,595
Other Telecommunications									
Securus Technologies, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25 %	10.13 %	11/1/2025	\$25,846,154	25,634,246	26,169,231
Pharmaceuticals									
			1.00 %	8.75 %	10.42 %	8/7/2019	\$39,417,218	38,656,117	39,673,430

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

Nephron Pharmaceuticals Corporation	First Lien FILO Term Loan (1.13% Exit Fee)	LIBOR (M)									
P&L Development, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00%	9.69%	5/18/2022	\$496,250	496,250	481,437		
								39,152,367	40,154,867		
Plastics Manufacturing											
Iracore International, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	9.00%	10.88%	4/13/2021	\$1,900,733	1,900,733	1,900,732		
Publishing											
Bisnow, LLC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	\$—	(24,000)	—		
Bisnow, LLC	First Lien Term Loan	LIBOR (Q)	—	9.00%	10.75%	4/29/2021	\$7,797,890	7,693,254	7,864,174		
Patient Point Network Solutions, LLC	First Lien Term Loan	LIBOR (M)	1.00%	7.50%	9.38%	6/26/2022	\$6,915,449	6,839,822	6,920,636		
Patient Point Network Solutions, LLC	Sr Secured Revolver	LIBOR (M)	1.00%	7.50%	N/A	6/26/2022	\$—	(4,800)	—		
								14,504,276	14,784,810		
Radio and Television Broadcasting											
NEP/NCP Holdco, Inc.	Second Lien Term Loan	LIBOR (M)	1.00%	7.00%	8.74%	1/23/2023	\$11,536,391	11,514,570	11,637,334		
Real Estate Leasing											
Daymark Financial Acceptance, LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50%	11.38%	1/12/2020	\$14,000,000	13,905,952	13,963,600		
Home Partners of America, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	7.00%	8.85%	10/13/2022	\$5,000,000	4,921,727	5,100,000		
								18,827,679	19,063,600		
Retail											
Bon-Ton, Inc.	Super Priority Debtor-in-Possession Tranche A-1 Revolver	LIBOR (M)	1.00%	9.50%	11.26%	11/1/2018	\$12,929,391	12,822,905	12,929,391		
USR Parent, Inc. (Staples)	First Lien FILO Term Loan	LIBOR (M)	1.00%	8.84%	10.41%	9/12/2022	\$11,149,443	10,893,785	11,149,443		
								23,716,690	24,078,834		

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
Debt Investments (continued)									
Restaurants									
RM OpCo, LLC (Real Mex)	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50	% 8.50	% 3/30/2018	\$2,162,945	\$2,162,945	\$399,712
RM OpCo, LLC (Real Mex)	First Lien Term Loan Tranche A	Fixed	—	7.00	% 7.00	% 3/30/2018	\$4,985,495	4,702,108	4,985,505
RM OpCo, LLC (Real Mex)	First Out Term Loan Tranche A	Fixed	—	7.00	% 7.00	% 3/30/2018	\$1,155,802	1,146,061	1,155,802
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B	Fixed	—	8.50	% 0.00	% 3/30/2018	\$10,398,622	10,398,622	—
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B-1	Fixed	—	8.50	% 8.50	% 3/30/2018	\$3,394,111	3,378,689	627,232
RM OpCo, LLC (Real Mex)	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50	% 8.50	% 3/30/2018	\$7,406,149	7,406,149	7,406,149
								29,194,574	14,574,40
Satellite Telecommunications									
Avanti Communications Group, PLC (United Kingdom)									
	Sr New Money Initial Note	Fixed	—	10.00	% 10.00	% 10/1/2021	\$1,368,694	1,338,928	1,098,377
Avanti Communications Group, PLC (United Kingdom)									
	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00	% 10.00	% 10/1/2021	\$3,492,521	3,418,917	2,802,748
Avanti Communications Group, PLC (United Kingdom)									
	Sr Secured Third-Priority Note	Fixed	—	20.00% PIK	12.00%	10/1/2023	\$7,318,661	4,123,579	1,756,479
Scientific Research and Development Services									
			—	2.50	% 4.80	% 4/29/2020	\$1,857,267	1,693,369	1,810,836

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

Envigo Holdings, Inc. (BPA Laboratories, Inc.)	First Lien Term Loan	LIBOR (Q)								
Envigo Holdings, Inc. (BPA Laboratories, Inc.)	Second Lien Term Loan	LIBOR (Q)	—	2.50	% 4.80	% 4/29/2020	\$4,189,589	2,787,441	4,022,007	
Envigo Holdings, Inc. (BPA Laboratories, Inc.)	First Lien Term Loan	LIBOR (Q)	1.00%	8.50	% 10.24%	% 11/3/2021	\$34,756,185	34,239,876	34,408,62	
								38,720,686	40,241,46	
Software Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	13.00%Cash + 2.00%PIK	16.75%	7/16/2018	\$17,028,510	17,033,535	17,028,51	
Actifio, Inc.	First Lien Term Loan (2.0% Exit Fee)	LIBOR (M)	1.00%	7.50%Cash + 1.00%PIK	10.56%	11/1/2020	\$35,381,875	34,965,191	35,005,05	
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.50%Cash + 1.25%PIK	11.56%	1/31/2020	\$30,757,271	30,522,854	29,740,74	
Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	5.75%Cash + 3.00%PIK	10.50%	3/31/2019	\$47,790,218	47,447,602	48,160,59	
Bond International Software, Inc. (United Kingdom)	First Lien Term Loan	LIBOR (M)	1.00%	10.00	% 11.67%	% 11/4/2021	\$26,358,696	25,883,238	25,805,16	
DealerFX, Inc.	First Lien Term Loan	LIBOR (Q)	—	6.25%Cash + 2.00%PIK	10.56%	2/1/2023	\$15,889,692	15,584,876	15,571,89	
Dealersocket, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	10.00	% 11.87%	% 2/10/2021	\$14,875,000	14,494,473	14,875,00	
ECI Macola/Max Holding, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 10.30%	% 9/19/2025	\$24,325,623	24,102,594	24,325,62	
Fishbowl, Inc.	First Lien Term Loan	LIBOR (Q)	—	2.80%Cash + 8.45%PIK	13.56%	1/26/2022	\$20,260,453	19,755,085	20,025,43	
JAMF Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.82	% 11/13/2022	\$14,160,797	13,893,862	13,920,06	
JAMF Holdings, Inc.	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00	% N/A	11/13/2022	\$—	(22,432)	(20,639	
Lithium Technologies, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.79	% 10/3/2022	\$20,884,731	20,460,180	20,740,62	
Lithium Technologies, LLC	First Revolver	LIBOR (Q)	1.00%	8.00	% N/A	10/3/2022	\$—	(31,016)	(10,544	
Tradeshift Holdings, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	—	8.88	% 10.94%	% 9/1/2020	\$19,117,528	18,529,746	18,515,31	

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

	(7.0% Exit Fee)								
	First Lien								
Utilidata, Inc.	Delayed Draw	LIBOR	—	9.88	% 11.94%	1/1/2019	\$2,093,398	2,064,674	2,046,820
	Term Loan	(M)							
	(1.0% Exit Fee)								
	First Lien								
Xactly Corporation	Incremental	LIBOR	1.00%	7.25	% 9.14	% 7/31/2022	\$2,726,918	2,673,584	2,704,557
	Term Loan	(M)							
	First Lien Term								
Xactly Corporation	Loan	LIBOR	1.00%	7.25	% 9.14	% 7/31/2022	\$16,397,517	16,109,140	16,263,05
		(M)							
	Sr Secured								
Xactly Corporation	Revolver	LIBOR	1.00%	7.25	% N/A	7/31/2022	\$—	(24,379)	(11,525
		(M)						303,442,807	304,685,7

7

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity/Expiration	Principal/Share	Cost	Fair Value
Debt Investments (continued)									
Textile Furnishings Mills									
Lexmark Carpet Mills, Inc.	First Lien Term Loan (1.5% Exit Fee)	LIBOR (Q)	1.00%	10.00% + 1.00% PIK	Cash 12.69%	12/19/2019	\$20,473,565	\$20,473,565	\$20,723,000
Lexmark Carpet Mills, Inc.	First Lien Term Loan B (1.5% Exit Fee)	LIBOR (Q)	1.00%	10.00% + 1.00% PIK	Cash 12.69%	12/19/2019	\$7,022,909	6,948,198	7,108,500
								27,421,763	27,831,500
Traveler Arrangement									
CIBT Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.75	% 10.05%	6/1/2025	\$7,611,914	7,542,365	7,688,000
Utility System Construction									
Conergy Asia & ME Pte. Ltd (Singapore)	First Lien Term Loan	Fixed	—	10.00	% 10.00%	6/30/2018	\$666,667	666,667	666,667
GlassPoint Solar, Inc.	First Lien Term Loan (4.0% Exit Fee)	LIBOR (M)	—	8.50	% 10.56%	8/1/2020	\$6,400,000	6,324,701	6,181,100
GlassPoint Solar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44	% 13.50%	8/1/2020	\$3,458,927	3,213,965	3,454,400
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Bank Guarantee Credit Facility	LIBOR (Q)	—	8.00%	9.33 %	7/2/2018	\$15,166,766	15,166,766	15,167,000
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Revolving Credit Facility	Fixed	—	0.00	% 0.00 %	7/2/2018	\$8,115,517	8,115,517	8,115,500

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

							33,487,616	33,584,4	
Wired Telecommunications Carriers									
American									
Broadband Holding Company	First Lien Term Loan	LIBOR (Q)	1.25 %	7.75	% 10.31 %	10/25/2022	\$ 18,362,620	17,944,188	18,129,9
Wireless Telecommunications Carriers									
Gogo Intermediate Holdings, LLC									
	Sr Secured Notes	Fixed	—	12.50	% 12.50 %	7/1/2022	\$ 10,000,000	10,000,000	11,262,3
Total Debt Investments							1,557,160,465	1,548,3	
Equity Securities									
Advertising and Public Relations Services									
Foursquare Labs, Inc.	Warrants to Purchase Series E Preferred Stock					5/4/2027	1,125,000	185,450	171,338
InMobi, Inc. (Singapore)	Warrants to Purchase Common Stock					9/18/2025	1,327,869	212,360	237,689
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock					8/15/2027	1,049,996	276,492	497,278
							674,302	906,305	
Air Transportation									
Aircraft Leased to United Airlines, Inc.									
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683	2,798,655	2,967,9
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	2,896,713	3,032,8
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock					12/4/2018	1,843	855,313	3,877,3
							6,550,681	9,878,1	
Business Support Services									
Findly Talent, LLC	Membership Units						708,229	230,938	70,115

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

STG-Fairway Holdings, LLC (First Advantage)	Class A Units		803,961	325,432	1,187,600
Chemicals				556,370	1,257,800
Green Biologics, Inc.	Warrants to Purchase Stock	10/1/2021	909,300	272,807	—
Nanosys, Inc.	Warrants to Purchase Preferred Stock	3/29/2023	800,000	605,266	800,160
Communications Equipment Manufacturing HCT Acquisition, LLC (Globecomm)	Membership Units		909,300	878,073	800,160
				531,575	—

8

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

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)							
Data Processing and Hosting Services							
Anacomp, Inc.	Class A Common Stock		1,255,532	\$26,711,048	\$1,418,746	0.09 %	C/E/F/N
Domo, Inc.	Warrants to Purchase Series D-2 Preferred Stock	12/30/2027	1,835,636	264,624	1,017,493	0.06 %	C/E/N
				26,975,672	2,436,239	0.15 %	
Educational Support Services							
Edmentum Ultimate Holdings, LLC	Class A Common Units		159,515	680,226	—	—	B/C/E/N
Edmentum Ultimate Holdings, LLC	Warrants to Purchase Class A Units	2/23/2028	788,112	—	—	—	B/C/E/N
				680,226	—	—	
Electronic Component Manufacturing							
Soraa, Inc.	Warrants to Purchase Common Stock	8/29/2024	3,071,860	108,899	41,470	—	C/E/N
Equipment Leasing							
36th Street Capital Partners Holdings, LLC	Membership Units		8,945,989	2,945,992	13,117,506	0.80 %	E/F/N
Financial Investment Activities							
GACP I, LP (Great American Capital)	Membership Units		13,328,863	228,862	13,368,921	0.82 %	E/I/N
GACP II, LP (Great American Capital)	Membership Units		4,324,843	24,818	4,324,818	0.26 %	E/I/N
				17,653,680	17,693,739	1.08 %	
Metal and Mineral Mining							
EPMC HoldCo, LLC	Membership Units		1,312,720	0	210,035	0.01 %	B/C/E/N
Motion Picture and Video Industries							
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Units		2,720,327	72,807	5,874,414	0.36 %	C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Warrants to Purchase Class A Units	10/17/2026	343,387	196,086	286,453	0.02 %	C/E/N

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

NEG Parent, LLC (Core Entertainment, Inc.)	Class B Warrants to Purchase Class A Units	10/17/2026	346,794	98,032	289,296	0.02	%	C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Litigation Trust Units		407	—	1,180,381	0.07	%	C/N
				3,166,925	7,630,544	0.47	%	
Other Information Services								
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	4/29/2025	946,498	79,082	45,148	—		C/E/H/N
Other Manufacturing								
AGY Holding Corp.	Common Stock		1,333,527		—	—		B/C/E/N
KAGY Holding Company, Inc.	Series A Preferred Stock		9,778	1,091,200	10,192,982	0.62	%	B/C/E/N
				1,091,200	10,192,982	0.62	%	
Plastics Manufacturing								
Iracore Investments Holdings, Inc.	Class A Common Stock		16,207	4,177,710	3,165,441	0.19	%	B/C/E/N
Radio and Television Broadcasting								
Fuse Media, LLC	Warrants to Purchase Common Stock	8/3/2022	233,470	800,322	—	—		C/E/N
Restaurants								
RM Holdco, LLC (Real Mex)	Equity Participation		24	—	—	—		B/C/E/N
RM Holdco, LLC (Real Mex)	Membership Units		13,161,000	10,777	1,316	—		B/C/E/N
				2,010,777	1,316	—		
Retail								
Shop Holding, LLC (Connexity)	Class A Units		507,167	480,049	—	—		C/E/N

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)							
Satellite Telecommunications							
Avanti							
Communications Group, PLC (United Kingdom)	Common Stock		245,368	\$3,086	\$40,862	—	C/D/H
Scientific Research and Development Services							
Series A Warrants							
Lions Holdings, Inc. (BPA)	to Purchase Common Stock	4/29/2020	10,287	—	—	—	C/E/N
Series B Warrants							
Lions Holdings, Inc. (BPA)	to Purchase Common Stock	4/29/2020	16,494	—	—	—	C/E/N
Software							
Warrants to Purchase Series F Preferred Stock							
Actifio, Inc.	Warrants to Purchase Series F Preferred Stock	5/5/2027	1,052,651	188,770	222,530	0.02 %	C/E/N
Warrants to Purchase Series Preferred Stock							
Snaplogic, Inc.	Warrants to Purchase Series Preferred Stock	3/19/2028	1,260,000	169,402	169,344	0.01 %	C/E/N
Warrants to Purchase Series D							
Tradeshift, Inc.	Warrants to Purchase Series D	3/26/2027	1,712,930	577,843	617,854	0.04 %	C/E/N

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

Utilidata, Inc.	Preferred Stock Warrants to Purchase Preferred Stock	12/22/2022	719,998	216,336	580,246	0.04	%	C/E/N
				1,152,351	1,589,974	0.11	%	
Utility System Construction Conergy Asia Holdings Limited (United Kingdom)	Class B Shares		1,000,000	1,000,000	1,027,700	0.06	%	C/E/F/H/N
Conergy Asia Holdings Limited (United Kingdom)	Ordinary Shares		3,333	7,833,333	106,999	0.01	%	C/E/F/H/N
GlassPoint Solar, Inc.	Warrants to Purchase Series D Preferred Stock Warrants to Purchase Series C-1 Preferred Stock	2/7/2027	448,000	76,950	76,966	0.01	%	C/N
GlassPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock	2/7/2027	400,000	248,555	289,040	0.02	%	C/E/N
Kawa Solar Holdings Limited (Cayman Islands)	Ordinary Shares		2,332,594	—	—	—		C/E/F/H/N
Kawa Solar Holdings Limited (Cayman Islands)	Series B Preferred Shares		93,023	1,395,349	—	—		C/E/F/H/N
				10,554,187	1,500,705	0.10	%	
Wired Telecommunications Carriers V Telecom Investment S.C.A. (Vivacom) (Luxembourg)	Common Shares		1,393	3,236,256	1,543,690	0.09	%	C/D/E/H/N
Total Equity Securities				90,177,415	72,052,050	4.41	%	
Total Investments				\$1,647,337,880	\$1,620,388,125			
Cash and Cash Equivalents Cash Held on Account at Various Institutions					13,736,624	0.84	%	

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

Cash and Cash Equivalents	13,736,624	0.84	%
Total Cash and Investments	\$1,634,124,749	100.00	% M

Notes to Consolidated Schedule of Investments:

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

(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.

TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

March 31, 2018

(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.

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

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$169,068,555 and \$70,968,080, respectively, for the three months ended March 31, 2018. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of March 31, 2018 was \$1,619,089,916 or 99.1% of total cash and investments of the Company. As of March 31, 2018, approximately 13.9% 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.

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

TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
Debt Investments (A)									
Advertising, Public Relations and Marketing									
Foursquare Labs, Inc.	First Lien Delayed Draw Term Loan (5.0% Exit Fee)	LIBOR (M)	—	8.81	% 10.31 %	6/1/2020	\$18,750,000	\$18,410,907	\$18,383,250
InMobi, Inc. (Singapore)	First Lien Delayed Draw Tranche 1 Term Loan (4.00% Exit Fee)	LIBOR (M)	1.37 %	8.13	% 9.63 %	12/31/2019	\$24,897,542	24,417,800	24,593,791
Videology Media Technologies, LLC	First Lien UK Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	10.00	% 11.48 %	1/10/2020	\$6,299,020	6,299,020	6,115,830
Videology Media Technologies, LLC	First Lien US Revolver (2.0% Exit Fee)	LIBOR (M)	1.00 %	8.50	% 9.98 %	1/10/2020	\$3,047,945	3,047,945	3,032,930
								52,175,672	52,125,801
Air Transportation									
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	—	7.25	% 8.88 %	12/14/2021	\$14,609,503	14,400,062	14,686,203
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25	% 8.88 %	2/28/2022	\$8,515,704	8,389,636	8,519,110
Mesa Airlines, Inc.	Engine Acquisition Delayed Draw Term	LIBOR (M)	—	7.25	% 8.88 %	7/31/2022	\$3,538,544	3,486,116	3,508,467

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

Mesa Airlines, Inc.	Loan C Engine Acquisition Delayed Draw Term Loan C-1	LIBOR (M)	—	7.25	% 8.88	% 9/30/2022	\$5,412,085	5,320,659	5,339,563
								31,596,473	32,053,343
Amusement and Recreation									
VSS-Southern Holdings, LLC (Southern Theatres)	First Lien Term Loan	LIBOR (Q)	1.00%	6.50% Cash + 2.00%PIK	10.19%	11/3/2020	\$24,342,738	23,991,933	23,790,158
VSS-Southern Holdings, LLC (Southern Theatres)	Sr Secured Revolver	LIBOR (Q)	1.00%	6.50% Cash + 2.00%PIK	N/A	11/3/2020	\$—	(12,135)	(19,435)
								23,979,798	23,770,723
Building Equipment Contractors									
Hylan Datacom & Electrical, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	7.50	% 9.07	% 7/25/2021	\$13,626,146	13,467,549	13,769,221
Business Support Services									
Enerwise Global Technologies, Inc.	Sr Secured Revolving Loan	LIBOR (Q)	0.23%	8.52	% N/A	11/30/2018	\$—	—	(23,000)
Enerwise Global Technologies, Inc.	Sr Secured Term Loan (3.77% Exit Fee)	LIBOR (Q)	0.23%	9.27	% 10.60%	11/30/2019	\$22,687,500	22,487,892	22,557,047
STG-Fairway Acquisitions, Inc. (First Advantage)	Second Lien Term Loan	LIBOR (Q)	1.00%	9.25	% 10.73%	6/30/2023	\$31,000,000	30,637,657	29,676,300
								53,125,549	52,210,347
Chemicals									
Anuvia Plant Nutrients Holdings, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (M)	—	10.63	% 12.13%	2/1/2018	\$1,147,372	1,159,323	1,147,372
Green Biologics, Inc.	Convertible Note	Fixed	—	10.00% PIK	10.00%	6/30/2019	\$7,500,000	7,467,998	4,472,250
Green Biologics, Inc.	Sr Secured Term Loan (12.4 % Exit Fee)	Fixed	—	10.00% PIK	10.00%	12/31/2020	\$8,312,637	8,272,422	5,160,485
			—	8.00	% 9.69	% 10/12/2021	\$871,842	866,740	915,260

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

iGM RFE1 B.V. (Netherlands)	First Lien Delayed Draw Term Loan	LIBOR (Q)								
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	LIBOR (Q)	—	8.00	% 9.69	% 10/12/2021	\$3,767,969	3,745,385	3,955,614	
iGM RFE1 B.V. (Netherlands)	First Lien Term Loan	EURIBOR (Q)	—	8.00	% 8.00	% 10/12/2021	\$6,377,358	6,966,626	8,037,289	
Nanosys, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fee)	LIBOR (Q)	—	9.81	% 11.31	% 4/1/2019	\$8,969,791	8,664,362	8,848,699	
								37,142,856	32,536,969	
Communications Equipment Manufacturing										
Globecomm Systems, Inc.	First Lien Incremental Term Loan	LIBOR (Q)	1.25%	7.63	% 9.11	% 12/21/2021	\$175,824	171,604	175,824	
Globecomm Systems, Inc.	First Tranche Term Loan	LIBOR (Q)	1.25%	5.50	% 7.06	% 12/11/2021	\$7,200,000	7,200,000	7,200,000	
Globecomm Systems, Inc.	Second Tranche Term Loan	LIBOR (Q)	1.25%	8.00	% 9.56	% 12/11/2021	\$2,400,000	2,400,000	2,400,000	
Globecomm Systems, Inc.	Third Tranche Term Loan	Fixed	—	12.50% PIK	12.50%	12/11/2021	\$1,248,000	1,248,000	1,248,000	
Globecomm Systems, Inc.	Fourth Tranche Term Loan	Fixed	—	12.50% PIK	12.50%	12/11/2021	\$2,256,000	2,256,000	2,256,000	
								13,275,604	13,279,824	

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Inv
Debt Investments (continued)										
Computer Systems Design and Related Services										
Aptos Inc. (Canada)	First Lien Incremental Term Loan	LIBOR (Q)	1.00%	6.75	% 8.44	% 9/1/2022	\$7,918,930	\$7,806,963	\$7,839,741	0.4
Aptos Inc. (Canada)	First Lien Term Loan	LIBOR (Q)	1.00%	6.75	% 8.44	% 9/1/2022	\$9,837,500	9,677,911	9,739,125	0.6
Bracket Intermediate Holding Corp.	Second Lien Term Loan	LIBOR (Q)	1.00%	9.00	% 10.48	% 3/14/2024	\$10,925,551	10,622,213	10,783,519	0.6
Dealersocket, Inc.	First Lien Term Loan	LIBOR (M)	1.00%	10.00	% 11.49	% 2/10/2021	\$14,875,000	14,462,683	14,875,000	0.9
Fidelis Acquisitionco, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	6.00% Cash + 2.00%PIK	9.38	% 11/4/2019	\$43,440,093	43,045,225	39,712,933	2.4
Fidelis Acquisitionco, LLC	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00	% 9.38	% 11/4/2019	\$3,182,143	3,182,143	2,909,115	0.1
Marketo, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	9.50	% 11.19	% 8/16/2021	\$23,295,455	22,749,196	23,295,455	1.4
Marketo, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00%	9.50	% N/A	8/16/2021	\$—	(37,215)	—	—
								111,509,119	109,154,888	6.8
Credit (Nondepository)										
Auto Trakk SPV, LLC	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50%	9.50	% 10.98	% 12/21/2021	\$22,432,442	22,090,438	22,971,871	1.4
Caliber Home Loans, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	6.50	% 8.07	% 6/30/2020	\$17,111,111	16,968,821	17,111,111	1.0
CFG Investments Limited (Caribbean Financial Group)	Subordinated Class B Notes	Fixed	—	9.42	% 9.42	% 11/15/2026	\$28,314,000	27,425,923	27,530,552	1.7

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

(Cayman Islands)

								66,485,182	67,613,534	4.2
Credit Related Activities										
Pegasus Business Intelligence, LP (Onyx Centersource)										
	First Lien Term Loan	LIBOR (Q)	1.00%	6.75	% 8.45	% 12/20/2021	\$14,622,123	14,503,579	14,622,123	0.9
Pegasus Business Intelligence, LP (Onyx Centersource)										
	Revolver	LIBOR (Q)	1.00%	6.75	% N/A	12/20/2021	\$—	(5,405)	—	—
Pacific Union Financials, LLC										
	First Lien Term Loan	LIBOR (M)	1.00%	7.50	% 8.86	% 4/21/2022	\$25,000,000	24,774,024	25,000,000	1.5
Data Processing and Hosting Services										
Applause App Quality, Inc.										
	First Lien Term Loan	LIBOR (Q)	1.00%	6.50	% 7.86	% 9/20/2022	\$22,647,306	22,214,352	22,381,200	1.4
Applause App Quality, Inc.										
	First Revolver	LIBOR (Q)	1.00%	6.50	% N/A	9/20/2022	\$—	(28,508)	(17,740)	—
Datto, Inc.										
	First Lien Term Loan	LIBOR (M)	1.00%	8.00	% 9.41	% 12/7/2022	\$32,792,848	32,136,991	32,136,991	2.0
Datto, Inc.										
	Sr Secured Revolver	LIBOR (M)	1.00%	8.00	% N/A	12/7/2022	\$—	(43,556)	(44,143)	—
DigiCert Holdings, Inc.										
	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.38	% 10/31/2025	\$11,988,526	11,947,192	12,080,359	0.7
Domo, Inc.										
	First Lien Delayed Draw Term Loan (4.5% Exit Fee)	LIBOR (M)	—	5.50% Cash + 2.50%PIK	9.50	% 2/1/2021	\$25,494,938	24,834,102	25,074,781	1.5
Internap Corporation										
	First Lien Term Loan	LIBOR (M)	1.00%	7.00	% 8.41	% 4/3/2022	\$8,163,812	8,054,758	8,262,472	0.5
Intralinks, Inc.										
	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.70	% 11/14/2025	\$4,045,291	4,004,922	4,045,291	0.2
IO Data Centers, USA, LLC										
	First Lien Term Loan	Fixed	—	9.00	% 9.00	% 1/15/2020	\$15,000,000	15,000,000	15,000,000	0.9
Pulse Secure, LLC										
	First Lien Term Loan	LIBOR (Q)	1.00%	7.00	% 8.34	% 5/1/2022	\$11,961,813	11,800,299	11,997,700	0.7
Pulse Secure, LLC										
	Revolver	LIBOR (Q)	1.00%	7.00	% N/A	5/1/2022	\$—	(17,489)	—	—
TierPoint, LLC										
	Second Lien Term Loan	LIBOR (M)	1.00%	7.25	% 8.82	% 5/5/2025	\$9,675,000	9,607,335	9,729,422	0.6
Educational Support Services										
Edmentum, Inc.										
	Jr Revolving Facility	Fixed	—	5.00	% 5.00	% 6/9/2020	\$2,189,581	2,189,581	2,189,584	0.1

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

Edmentum											
Ultimate Holdings, LLC	Sr PIK Notes	Fixed	—	8.50	% 8.50	% 6/9/2020	\$3,099,573	3,099,573	3,099,573	0.1	
Edmentum											
Ultimate Holdings, LLC	Jr PIK Notes	Fixed	—	10.00	% 10.00	% 6/9/2020	\$14,413,652	14,039,962	10,377,830	0.6	
								19,329,116	15,666,987	0.9	
Electronic Component Manufacturing											
Soraa, Inc.	Tranche A	Term Loan	LIBOR	0.44%	9.33	% 10.71%	3/1/2018	\$7,570,571	7,531,474	7,449,820	0.4
	(3.0% Exit Fee)	(M)									
Soraa, Inc.	Tranche B	Term Loan	LIBOR	0.44%	9.33	% 10.71%	3/1/2018	\$1,603,779	1,593,183	1,579,883	0.1
	(M)							9,124,657	9,029,703	0.5	
Equipment Leasing											
36th Street Capital Partners Holdings, LLC	Senior Note	Fixed	—	12.00	% 12.00	% 11/1/2020	\$30,827,391	30,827,391	30,827,391	1.9	
Facilities Support Services											
NANA Development Corp.	First Lien	Term Loan	LIBOR	1.25%	6.75	% 8.37	% 3/15/2018	\$116,662	116,039	116,662	0.0
	B	(Q)									

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Ca an In
Debt Investments (continued)										
Financial Investment Activities										
Institutional Shareholder Services, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.50	% 9.11	% 10/16/2025	\$9,333,333	\$9,286,899	\$9,403,333	0.3
Grocery Stores										
Bashas, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50%	8.80	% 10.30	% 10/8/2019	\$3,497,286	3,483,906	3,497,286	0.3
Health Care Pacific Coast Holdings Investment, LLC (KPC Healthcare)	First Lien Term Loan	LIBOR (M)	1.00%	7.50	% 9.07	% 2/14/2021	\$29,288,064	28,933,992	29,712,741	1.5
Insurance										
Alera Group Intermediate Holdings, Inc.	First Lien Delayed Draw Term Loan	LIBOR (M)	1.00%	5.50	% 6.86	% 12/30/2022	\$457,917	449,703	457,917	0.3
Alera Group Intermediate Holdings, Inc.	First Lien Revolver	LIBOR (M)	1.00%	5.50	% N/A	12/30/2021	\$—	(7,558)) —	—
Alera Group Intermediate Holdings, Inc. Association	First Lien Term Loan	LIBOR (M)	1.00%	5.50	% 6.86	% 12/30/2022	\$3,381,568	3,353,038	3,381,568	0.3
Member Benefits Advisors, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.75	% 10.31	% 6/8/2023	\$8,277,983	8,135,840	8,230,384	0.3
Higginbotham Insurance Agency, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.25	% 8.25	% 12/19/2025	\$9,850,547	9,752,041	9,752,041	0.3
IAS Investco, Inc.	First Lien Delayed Draw Term	LIBOR (Q)	1.00%	5.50	% N/A	1/24/2021	\$—	(57,726)) (58,286)) —

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

IAS Investco, Inc.	Loan A First Lien Delayed Draw Term	LIBOR (Q)	1.00%	5.50	% N/A	1/24/2021	\$—	(16,978)	(17,143)	—
IAS Investco, Inc.	Loan B First Lien Term Loan	LIBOR (Q)	1.00%	5.50	% 6.90 %	1/24/2021	\$4,401,429	4,357,753	4,357,414	0.3
US Apple Holdco, LLC (Ventiv Technology)	First Lien FILO Term Loan	LIBOR (Q)	0.50%	13.62	% 14.96 %	8/29/2019	\$20,075,758	19,756,604	20,075,758	1.3
US Apple Holdco, LLC (Ventiv Technology)	First Lien Incremental Tranche B FILO Term Loan	LIBOR (Q)	0.50%	13.62	% 15.08 %	8/29/2019	\$4,320,000	4,253,133	4,320,000	0.3
								49,975,850	50,499,653	3.0
Lessors of Nonfinancial Licenses										
ABG										
Intermediate Holdings 2, LLC (Authentic Brands)	Second Lien Term Loan	LIBOR (Q)	1.00%	7.75	% 9.44 %	9/29/2025	\$15,000,000	14,890,502	15,225,000	0.3
Kenneth Cole Productions, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00%	9.65	% 11.21 %	3/21/2022	\$32,220,576	31,934,409	31,932,202	1.9
								46,824,911	47,157,202	2.5
Management, Scientific, and Technical Consulting Services										
Asentinel, LLC (Tangoe)	First Lien Last Out Term Loan	LIBOR (Q)	1.00%	10.77%Cash +0.50%PIK	12.96 %	6/16/2022	\$24,249,887	23,368,696	23,740,640	1.4
Dodge Data & Analytics, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.75	% 10.13 %	10/31/2019	\$22,948,395	22,732,919	22,948,395	1.4
								46,101,615	46,689,035	2.5
Metal Manufacturing										
Neenah Foundries Company	First Lien Term Loan B	LIBOR (M)	—	6.50	% 7.97 %	12/13/2022	\$5,872,557	5,813,832	5,843,195	0.3
Motion Picture and Video Industries										
NEG Holdings, LLC (CORE Entertainment)	First Lien Term Loan	LIBOR (Q)	1.00%	8.00% PIK	9.69 %	10/17/2022	\$1,584,734	1,584,734	1,584,734	0.0
Other Information Services										
Discoverorg, LLC	Second Lien Term Loan	LIBOR (M)	1.00%	8.50	% 10.07 %	2/26/2024	\$12,839,252	12,715,576	12,707,649	0.0
Other Manufacturing										
		Fixed	—	12.00	% 12.00 %	9/15/2018	\$4,869,577	4,869,577	4,869,577	0.0

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

AGY Holding Corp.	Sr Secured Term Loan										
AGY Holding Corp.	Second Lien Notes	Fixed	—	11.00	% 11.00%	11/15/2018	\$9,268,000	7,586,317	9,268,000	0.0	
AGY Holding Corp.	Delayed Draw Term Loan	Fixed	—	12.00	% 12.00%	9/15/2018	\$1,049,146	1,049,146	1,049,147	0.0	
								13,505,040	15,186,724	0.0	
Other Real Estate Activities											
Associations, Inc.	First Lien FILO Term Loan	LIBOR (Q)	1.00%	8.96	% 10.65%	12/23/2019	\$12,762,279	12,681,580	12,762,279	0.0	
Greystone Select Holdings, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.40%	4/17/2024	\$25,202,549	24,956,798	25,661,235	1.0	
								37,638,378	38,423,514	2.0	

14

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value
Debt Investments (continued)									
Other Telecommunications									
Securus Technologies, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.25 %	9.87 %	11/1/2025	\$25,846,154	\$25,624,354	\$26,169,231
Pharmaceuticals									
Nephron Pharmaceuticals Corporation	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.75 %	10.12 %	8/7/2019	\$41,439,197	40,499,748	41,298,303
Plastics Manufacturing									
Iracore International, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	9.00 %	10.63 %	4/13/2021	\$1,900,733	1,900,733	1,900,733
Publishing									
Bisnow, LLC	First Lien Revolver	LIBOR (Q)	—	9.00 %	N/A	4/29/2021	\$—	(24,000)	—
Bisnow, LLC	First Lien Term Loan	LIBOR (Q)	—	9.00 %	10.38 %	4/29/2021	\$7,962,890	7,847,037	8,050,482
Patient Point Network Solutions, LLC	First Lien Second Out Term Loan	LIBOR (M)	1.00 %	7.50 %	9.07 %	6/26/2022	\$6,959,497	6,876,410	6,882,942
Patient Point Network Solutions, LLC	Sr Secured Revolver	LIBOR (M)	1.00 %	7.50 %	N/A	6/26/2022	\$—	(5,082)	(4,845)
								14,694,365	14,928,579
Radio and Television Broadcasting									
NEP/NCP Holdco, Inc.	Second Lien Term Loan	LIBOR (M)	1.00 %	7.00 %	8.43 %	1/23/2023	\$11,536,391	11,509,202	11,637,334
Real Estate Leasing									
Daymark Financial Acceptance, LLC	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50 %	10.89 %	1/12/2020	\$14,000,000	13,892,791	13,949,600
Home Partners of America, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	7.00 %	8.50 %	10/13/2022	\$5,000,000	4,916,646	5,100,000
								18,809,437	19,049,600
Restaurants									

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

RM OpCo, LLC (Real Mex)	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50 %	8.50 %	3/30/2018	\$2,117,626	2,117,626	862,509	0
RM OpCo, LLC (Real Mex)	First Lien Term Loan Tranche A	Fixed	—	7.00 %	7.00 %	3/30/2018	\$4,899,257	4,615,870	4,899,257	0
RM OpCo, LLC (Real Mex)	First Out Term Loan Tranche A	Fixed	—	8.50 %	8.50 %	3/30/2018	\$—	(38,949)	—	—
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B	Fixed	—	8.50 %	8.50 %	3/30/2018	\$10,398,622	10,398,622	—	—
RM OpCo, LLC (Real Mex)	Second Lien Term Loan Tranche B-1	Fixed	—	8.50 %	8.50 %	3/30/2018	\$3,322,997	3,307,575	1,353,457	0
RM OpCo, LLC (Real Mex)	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50 %	8.50 %	3/30/2018	\$7,250,973	7,250,973	7,250,973	0
Retail								27,651,717	14,366,196	0
Bon-Ton, Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50 %	10.91 %	3/15/2021	\$15,515,269	15,341,877	15,422,178	0
USR Parent, Inc. (Staples)	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.84 %	10.18 %	9/12/2022	\$11,149,443	10,879,867	11,149,443	0
Satellite Telecommunications								26,221,744	26,571,621	1
Avanti Communications Group, PLC (United Kingdom)	Sr New Money Initial Note	Fixed	—	10.00 %	10.00 %	10/1/2021	\$1,368,694	1,337,235	1,108,642	0
Avanti Communications Group, PLC (United Kingdom)	Sr Second-Priority PIK Toggle Note	Fixed	—	10.00 %	10.00 %	10/1/2021	\$3,492,521	3,414,731	2,828,942	0
Avanti Communications Group, PLC (United Kingdom)	Sr Secured Third-Priority Note	Fixed	—	12.00 %	12.00 %	10/1/2023	\$7,318,661	4,070,879	1,976,038	0
Scientific Research and Development Services								8,822,845	5,913,622	0
Envigo Holdings, Inc. (BPA Laboratories, Inc.)	First Lien Term Loan	LIBOR (Q)	—	2.50 %	4.19 %	4/29/2020	\$1,857,267	1,675,566	1,847,981	0
Envigo Holdings, Inc. (BPA Laboratories, Inc.)	Second Lien Term Loan	LIBOR (Q)	—	2.50 %	4.19 %	4/29/2020	\$4,189,589	2,787,441	4,147,693	0

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

Envigo Holdings, Inc. (BPA Laboratories, Inc.)	First Lien Term Loan	LIBOR (M)	1.00 % 8.50 % 9.87 % 11/3/2021	\$34,843,373	34,277,807	34,930,481	38,740,814	40,926,155	2 2
---	-------------------------	--------------	--------------------------------	--------------	------------	------------	------------	------------	--------

15

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% Total Cash Investments
Debt Investments (continued)										
Software										
Acronis International GmbH (Switzerland)	First Lien Term Loan	LIBOR (Q)	1.00%	13.50	% 16.38%	7/16/2018	\$17,446,997	\$17,452,145	\$17,446,997	1.0%
Actifio, Inc.	First Lien Term Loan (2.0% Exit Fee)	LIBOR (M)	1.00%	7.50% Cash + 1.00% PIK	10.00%	11/1/2020	\$35,293,567	34,828,518	34,857,692	2.1%
ArcServe (USA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50%	8.50% Cash + 1.25% PIK	11.08%	1/31/2020	\$30,643,867	30,381,023	30,179,612	1.8%
Autoalert, LLC	First Lien Term Loan	LIBOR (Q)	0.25%	5.75% Cash + 3.00% PIK	10.13%	3/31/2019	\$36,791,873	36,573,746	37,150,593	2.3%
Bond										
International Software, Inc. (United Kingdom)	First Lien Term Loan	LIBOR (M)	1.00%	10.00	% 11.37%	11/4/2021	\$26,358,696	25,845,796	26,008,125	1.6%
ECI Macola/Max Holding, LLC	Second Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.69%	9/19/2025	\$24,325,623	24,095,710	24,295,216	1.5%
Fishbowl, Inc.	First Lien Term Loan	LIBOR (Q)	—	2.80% Cash + 8.45% PIK	13.00%	1/26/2022	\$19,778,356	19,241,895	19,548,927	1.2%
JAMF Holdings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.41%	11/13/2022	\$14,160,797	13,882,080	13,877,581	0.8%
JAMF Holdings, Inc.	Sr Secured Revolver	LIBOR (Q)	1.00%	8.00	% N/A	11/13/2022	\$—	(23,635)	(24,281)	—
Lithium Technologies, LLC	First Lien Term Loan	LIBOR (Q)	1.00%	8.00	% 9.39%	10/3/2022	\$20,884,731	20,434,582	20,414,823	1.2%
Lithium Technologies, LLC	First Revolver	LIBOR (Q)	1.00%	8.00	% N/A	10/3/2022	\$—	(32,719)	(34,383)	—
			—	8.88	% 10.38%	9/1/2020	\$16,058,724	15,410,629	15,575,433	0.9%

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

Tradeshift Holdings, Inc.	First Lien Delayed Draw Term Loan (7.0% Exit Fee)	LIBOR (M)									
Utilidata, Inc.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62%	9.88	% 11.25%	1/1/2019	\$2,255,976	2,216,688	2,235,108	0.	
Xactly Corporation	First Lien Term Loan	LIBOR (M)	1.00%	7.25	% 8.82	7/31/2022	\$16,397,517	16,089,310	16,143,356	1.0	
Xactly Corporation	Sr Secured Revolver	LIBOR (M)	1.00%	7.25	% N/A	7/31/2022	\$—	(25,774)	(21,785)	—	
								256,369,994	257,653,014	16	
Textile Furnishings Mills											
Lexmark Carpet Mills, Inc.	First Lien Term Loan (1.5% Exit Fee)	LIBOR (Q)	1.00%	10.00%Cash + 1.00%PIK	12.34%	12/19/2019	\$20,748,146	20,748,146	20,561,413	1.2	
Lexmark Carpet Mills, Inc.	First Lien Term Loan B (1.5% Exit Fee)	LIBOR (Q)	1.00%	10.00%Cash + 1.00%PIK	12.34%	12/19/2019	\$7,117,096	7,028,637	7,053,042	0.4	
								27,776,783	27,614,455	1.7	
Traveler Arrangement											
CIBT Solutions, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00%	7.75	% 9.44	6/1/2025	\$7,611,914	7,538,934	7,726,092	0.4	
Utility System Construction											
Conergy Asia & ME Pte. Ltd (Singapore)	First Lien Term Loan	Fixed	—	10.00	% 10.00%	6/30/2018	\$666,667	666,667	666,667	0.0	
GlassPoint Solar, Inc.	First Lien Term Loan (5.0% Exit Fee)	LIBOR (M)	—	11.44	% 12.94%	8/1/2020	\$3,642,021	3,358,719	3,554,248	0.2	
Kawa Solar Holdings Limited (Conergy) (Cayman)	Bank Guarantee Credit Facility	LIBOR (Q)	—	8.00% PIK	9.34	% 7/2/2018	\$16,233,432	16,233,433	16,233,431	1.0	

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

Islands) Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Revolving Credit Facility	Fixed	—	0.00	% 0.00	% 7/2/2018	\$7,048,850	7,048,850	7,048,850	0.4
								27,307,669	27,503,196	1.7
Wired Telecommunications Carriers										
American Broadband Holding Company	First Lien Term Loan	LIBOR (Q)	1.25%	7.75	% 9.12	% 10/25/2022	\$18,480,691	18,032,158	18,018,674	1.1
Wireless Telecommunications Carriers										
Gogo, LLC	Sr Secured Notes	Fixed	—	12.50	% 12.50%	7/1/2022	\$10,000,000	10,000,000	11,331,250	0.7
Total Debt Investments								1,458,302,831	1,445,736,970	90

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities							
Advertising, Public Relations and Marketing							
Foursquare Labs, Inc.	Warrants to Purchase Series E Preferred Stock	5/4/2027	1,125,000	\$185,450	\$ 170,888	0.01 %	C/E/N
InMobi, Inc. (Singapore)	Warrants to Purchase Common Stock	8/15/2027	995,902	159,270	160,838	0.01 %	C/E/H/N
InMobi, Inc. (Singapore)	Warrants to Purchase Series E Preferred Stock	9/18/2025	1,049,926	66,492	485,518	0.03 %	C/E/H/N
				621,212	817,244	0.05 %	
Air Transportation							
Aircraft Leased to United Airlines, Inc.							
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests		683	2,889,115	3,161,798	0.20 %	E/F/N
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests		688	2,992,621	3,228,449	0.20 %	E/F/N
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock	12/4/2018	1,843	855,313	3,534,383	0.22 %	C/E/N
				6,737,049	9,924,630	0.62 %	
Business Support Services							
Findly Talent, LLC	Membership Units		708,229	230,938	57,012	—	C/E/N
STG-Fairway Holdings, LLC (First Advantage)	Class A Units		803,961	325,432	950,925	0.06 %	C/E/N
				556,370	1,007,937	0.06 %	
Chemicals							
Green Biologics, Inc.	Warrants to Purchase Stock	10/1/2021	909,300	272,807	—	—	C/E/N
Nanosys, Inc.	Warrants to Purchase Preferred Stock	3/29/2023	800,000	605,266	805,600	0.05 %	C/E/N
				878,073	805,600	0.05 %	
Communications Equipment Manufacturing							
HCT Acquisition, LLC (Globecomm)	Membership Units		909,300	531,575	531,575	0.03 %	B/C/N
Data Processing and Hosting Services							
Anacomp, Inc.	Class A Common Stock		1,255,526	7,711,048	1,418,746	0.09 %	C/E/F/N
Domo, Inc.	Warrants to Purchase Series D-2 Preferred	12/30/2027	1,835,636	4,624	264,882	0.02 %	C/E/N

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

Stock							
			26,975,672	1,683,628	0.11	%	
Educational Support Services							
Edmentum Ultimate Holdings, LLC	Class A Common Units		159,515	680,226	—	—	B/C/E/N
Electronic Component Manufacturing							
Soraa, Inc.	Warrants to Purchase Common Stock	8/29/2024	3,071,840	78,899	1,843	—	C/E/N
Equipment Leasing							
36th Street Capital Partners Holdings, LLC	Membership Units		8,945,982	945,992	12,576,276	0.79	% C/E/F/N
Financial Investment Activities							
GACP I, LP (Great American Capital)	Membership Units		16,349,064	438,809	16,463,873	1.03	% E/I/N
Metal and Mineral Mining							
EPMC HoldCo, LLC	Membership Units		1,312,720		210,035	0.01	% B/C/E/N
Motion Picture and Video Industries							
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Units		2,720,322	772,807	4,345,010	0.27	% C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Class A Warrants to Purchase Class A Units	10/17/2026	343,387	196,086	111,875	0.01	% C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Class B Warrants to Purchase Class A Units	10/17/2026	346,794	198,032	112,985	0.01	% C/E/N
NEG Parent, LLC (Core Entertainment, Inc.)	Litigation Trust Units		407	—	1,201,138	0.08	% C/N
			3,166,925	5,771,008	0.37	%	

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

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities (continued)							
Other Information Services							
SoundCloud, Ltd. (United Kingdom)	Warrants to Purchase Preferred Stock	4/29/2025	946,498	\$ 79,082	\$ 45,148	—	C/E/H/N
Other Manufacturing							
AGY Holding Corp.	Common Stock		1,333,527	—	—	—	B/C/E/N
KAGY Holding Company, Inc.	Series A Preferred Stock		9,778	1,091,200	11,034,5190.69	%	B/C/E/N
				1,091,200	11,034,5190.69	%	
Plastics Manufacturing							
Iracore Investments Holdings, Inc.	Class A Common Stock		16,207	4,177,710	3,458,749	0.22 %	B/C/E/N
Radio and Television Broadcasting							
Fuse Media, LLC	Warrants to Purchase Common Stock	8/3/2022	233,470	300,322	—	—	C/E/N
Restaurants							
RM Holdco, LLC (Real Mex)	Equity Participation		24	—	—	—	B/C/E/N
RM Holdco, LLC (Real Mex)	Membership Units		13,161,000	2,010,777	—	—	B/C/E/N
				2,010,777	—	—	
Retail							
Shop Holding, LLC (Connexity)	Class A Units		507,167	480,048	—	—	C/E/N
Satellite Telecommunications							
Avanti Communications Group, PLC (United Kingdom)	Common Stock		245,368	3,086	28,614	—	C/D/H
Scientific Research and Development Services							
Lions Holdings, Inc. (BPA)	Series A Warrants to Purchase	4/29/2020	10,287	—	—	—	C/E/N

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

Lions Holdings, Inc. (BPA)	Common Stock Series B Warrants to Purchase Common Stock	4/29/2020	16,494	—	—	—		C/E/N
Software				—	—	—		
Actifio, Inc.	Warrants to Purchase Series F Preferred Stock	5/5/2027	1,052,651	188,770	186,424	0.01	%	C/E/N
Blackline, Inc.	Common Stock Warrants to Purchase Series D Preferred Stock		1,797	4,450	58,941	—		C/J
Tradeshift, Inc.	Warrants to Purchase Preferred Stock	3/26/2027	1,712,930	577,842	590,790	0.04	%	C/E/N
Utilidata, Inc.	Warrants to Purchase Preferred Stock	12/22/2022	719,998	216,335	369,215	0.02	%	C/E/N
				987,397	1,205,370	0.07	%	
Utility System Construction								
Conergy Asia Holdings Limited (United Kingdom)	Class B Shares		1,000,000	1,000,000	1,027,700	0.06	%	C/E/F/H/N
Conergy Asia Holdings Limited (United Kingdom)	Ordinary Shares		3,333	7,833,333	193,847	0.01	%	C/E/F/H/N
GlassPoint Solar, Inc.	Warrants to Purchase Series C-1 Preferred Stock	2/7/2027	1,100,000	248,555	250,360	0.02	%	C/E/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Ordinary Shares		2,332,594	—	—	—		C/E/F/H/N
Kawa Solar Holdings Limited (Conergy) (Cayman Islands)	Series B Preferred Shares		93,023	1,395,349	—	—		C/E/F/H/N
				10,477,237	1,471,907	0.09	%	

TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2017

Issuer	Instrument	Expiration	Shares	Cost	Fair Value	% of Total Cash and Notes Investments	
Equity Securities (continued)							
Wired Telecommunications Carriers							
V Telecom							
Investment S.C.A. (Vivacom) (Luxembourg)	Common Shares		1,393	\$3,236,256	\$1,757,777	0.11	% C/D/E/H/N
Total Equity Securities				88,853,917	68,795,733	4.30	%
Total Investments				\$1,547,156,748	\$1,514,532,703		
Cash and Cash Equivalents							
Cash Held on Account at Various Institutions					65,625,237	4.10	%
Wells Fargo Treasury Plus Government Money Market Fund					21,000,000	1.31	%
Cash and Cash Equivalents					86,625,237	5.41	%
Total Cash and Investments					\$1,601,157,940	100.00	% M

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) 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)

Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the (F) outstanding voting securities of this issuer). Investment is not more than 50% 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.

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

(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.

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

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$865,427,957 and \$655,674,364, respectively, for the year ended December 31, 2017. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2017 was \$1,512,712,435 or 94.5% of total cash and investments of the Company. As of December 31, 2017, approximately 11.4% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

Swaps at December 31, 2017 were as follows:

Receive	Pay	Counter Party	Maturity	Notional Amount	Fair Value	Upfront payments/receipts	Unrealized appreciation/depreciation
Interest at LIBOR plus 8.68% on USD 7,270,250	Interest at 8.00% on EUR 6,500,000	Wells Fargo Bank, N.A.	5/31/2019	7,270,250/ EUR 6,500,000	\$(603,745)	\$	—\$ (603,745)

See accompanying notes to the consolidated financial statements.

TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

	Three Months Ended March	
	31,	2017
	2018	
Investment income		
Interest income:		
Companies less than 5% owned	\$40,797,854	\$35,418,453
Companies 5% to 25% owned	1,746,864	1,726,423
Companies more than 25% owned	1,280,613	1,635,334
Dividend income:		
Companies more than 25% owned	17,902	—
Lease income:		
Companies more than 25% owned	74,457	74,457
Other income:		
Companies less than 5% owned	—	488,347
Companies 5% to 25% owned	297,356	—
Total investment income	44,215,046	39,343,014
Operating expenses		
Interest and other debt expenses	9,641,894	7,755,027
Management and advisory fees	5,706,236	4,934,041
Incentive fee	5,391,278	N/A
Administrative expenses	597,232	589,561
Legal fees, professional fees and due diligence expenses	434,303	277,721
Director fees	156,816	159,970
Insurance expense	106,865	107,960
Custody fees	91,855	81,887
Other operating expenses	523,454	554,959
Total operating expenses	22,649,933	14,461,126
Net investment income	21,565,113	24,881,888
Net realized and unrealized gain (loss) on investments and foreign currency		
Net realized loss:		
Investments in companies less than 5% owned	(632,776)	(5,087,458)
Net realized loss	(632,776)	(5,087,458)
Change in net unrealized appreciation/depreciation	6,256,448	4,617,498
Net realized and unrealized gain (loss)	5,623,672	(469,960)
Net increase in net assets from operations	27,188,785	24,411,928
Distributions of incentive allocation to the General Partner from:		
Net investment income	N/A	(4,976,378)
Net increase in net assets applicable to common shareholders resulting from operations	\$27,188,785	\$19,435,550
Basic and diluted earnings per common share	\$0.46	\$0.37

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

Basic and diluted weighted average common shares outstanding	58,844,381	53,041,902
--	------------	------------

See accompanying notes to the consolidated financial statements.

20

TCP Capital Corp.

Consolidated Statements of Changes in Net Assets (Unaudited)

	Common Stock		Paid in Capital in Excess of Par	Accumulated Net Investment Income	Accumulated Net Realized Losses	Accumulated Net Unrealized Depreciation	Total Net Assets
	Shares	Par Amount					
Balance at December 31, 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 at-the-market offerings, net	54,713	55	863,343	—	—	—	863,398
Issuance of common stock from dividend reinvestment plan	643	—	10,585	—	—	—	10,585
Net investment income	—	—	—	113,401,620	—	—	113,401,620
Net realized and unrealized loss	—	—	—	—	(20,667,272)	(2,123,011)	(22,790,283)
General Partner incentive allocation	—	—	—	(22,680,323)	—	—	(22,680,323)
Regular dividends paid to common shareholders	—	—	—	(82,610,362)	—	—	(82,610,362)
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(36,380)	(16,200,456)	16,236,836	—	—
Balance at December	58,847,256	\$58,847	\$1,038,855,948	\$4,443,768	\$(139,390,703)	\$(33,239,734)	\$870,728,126

31, 2017

Issuance of common stock from dividend reinvestment plan	192	—	2,723	—	—	—	2,723
Repurchase of common stock	(11,300)	(11)	(160,604)	—	—	—	(160,615)
Net investment income	—	—	—	21,565,113	—	—	21,565,113
Net realized and unrealized gain (loss)	—	—	—	—	(632,776)	6,256,448	5,623,672
Regular dividends paid to common shareholders	—	—	—	(21,184,004)	—	—	(21,184,004)
Balance at March 31, 2018	58,836,148	\$58,836	\$1,038,698,067	\$4,824,877	\$(140,023,479)	\$(26,983,286)	\$876,575,015

See accompanying notes to the consolidated financial statements.

21

TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March	
	31,	
	2018	2017
Operating activities		
Net increase in net assets applicable to common shareholders resulting from operations	\$27,188,785	\$19,435,550
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	632,776	5,087,458
Change in net unrealized appreciation/depreciation of investments	(6,236,730)	(4,617,449)
Net amortization of investment discounts and premiums	(2,713,434)	(4,313,547)
Amortization of original issue discount on convertible debt	290,321	249,039
Interest and dividend income paid in kind	(2,726,161)	(3,508,567)
Amortization of deferred debt issuance costs	1,172,399	827,718
Changes in assets and liabilities:		
Purchases of investment securities	(166,342,394)	(136,284,513)
Proceeds from sales, maturities and pay downs of investments	70,968,080	117,033,249
Decrease (increase) in accrued interest income - companies less than 5% owned	(1,085,395)	2,282,423
Increase in accrued interest income - companies 5% to 25% owned	(323,482)	(430,233)
Decrease (increase) in accrued interest income - companies more than 25% owned	(369,769)	7,275
Decrease in receivable for investments sold	232,821	—
Decrease (increase) in prepaid expenses and other assets	(756,688)	265,980
Decrease in payable for investments purchased	(15,069,545)	(10,292,325)
Increase (decrease) in incentive compensation payable	(591,857)	259,544
Decrease in interest payable	(2,607,338)	(342,150)
Increase in payable to the Advisor	22,758	200,077
Increase in management and advisory fees payable	5,552,866	—
Increase (decrease) in accrued expenses and other liabilities	188,194	(382,381)
Net cash used in operating activities	(92,573,793)	(14,522,852)
Financing activities		
Borrowings	190,953,697	84,000,000
Repayments of debt	(148,000,000)	(48,000,000)
Payments of debt issuance costs	(1,926,621)	—
Regular dividends paid to common shareholders	(21,184,004)	(19,095,084)
Repurchase of common shares	(160,615)	—
Proceeds from shares issued in connection with dividend reinvestment plan	2,723	2,564
Net cash provided by financing activities	19,685,180	16,907,480
Net increase (decrease) in cash, cash equivalents, and restricted cash	(72,888,613)	2,384,628
Cash and cash equivalents at beginning of period	86,625,237	53,579,868
Cash and cash equivalents at end of period	\$13,736,624	\$55,964,496
Supplemental cash flow information		
Interest payments	\$10,398,997	\$6,628,691

Excise tax payments	\$86,106	\$528,603
See accompanying notes to the consolidated financial statements.		

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)

March 31, 2018

1. Organization and Nature of Operations

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

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

23

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

statements in accordance with ASC Topic 946. The following is a summary of the significant accounting policies of the Company and the Operating Company.

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.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

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.

In following these approaches, the types of factors that may be taken into account also include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, comparable costs of capital, the principal market in which the investment trades and enterprise values, among other factors.

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

At March 31, 2018, the Company's investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	\$—	\$—	\$40,862
2	Other direct and indirect observable market inputs *	88,313,691	11,262,500	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,331,139,346	117,620,538	70,267,145
3	Advisor valuations with significant unobservable inputs	—	—	1,744,043
		\$1,419,453,037	\$128,883,038	\$72,052,050

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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

Unobservable inputs used in the fair value measurement of Level 3 investments as of March 31, 2018 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	\$1,122,672,124	Income approach	Discount rate	8.0% - 27.5% (12.7%)
	140,571,248	Market quotations	Indicative bid/ask quotes	1 - 2 (1)
	26,693,724	Market comparable companies	Revenue multiples	0.3x - 2.9x (1.5x)
	41,202,250	Market comparable companies	EBITDA multiples	3.5x - 10.0x (7.1x)
Other Corporate Debt	38,000,000	Income approach	Discount rate	10.0% (10.0%)
	64,806,347	Market quotations	Indicative bid/ask quotes	1 - 2 (1)
	5,546,191	Market comparable companies	Revenue multiples	2.6x (2.6x)
	9,268,000	Market comparable companies	EBITDA multiples	7.5x (7.5x)
Equity	7,583,512	Income approach	Discount rate	4.2% - 19.0% (7.3%)
	16,051,611	Market quotations	Indicative bid/ask quotes	1 (1)
	9,219,640	Option Pricing Model	EBITDA/Revenue multiples	1.7x - 8.3x (4.9x)
			Implied volatility	25.0% - 65.0% (51.4%)
			Yield	0.0% (0.0%)
			Term	0.6 years - 4.5 years (1.7 years)
	1,490,176	Market comparable companies	Revenue multiples	0.3x - 2.9x (1.1x)
	19,972,508	Market comparable companies	EBITDA multiples	3.5x - 10.0x (7.3x)
17,693,741	Other *	N/A	N/A	
\$1,520,771,072				

* Fair value was determined based on the most recently available net asset value of the issuer adjusted for identified changes in the valuations of the underlying portfolio of the issuer through the measurement date.

Certain fair value measurements may employ more than one valuation technique, with each valuation technique receiving a relative weight between 0% and 100%. 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
Implied volatility	Increase	Decrease
Term	Increase	Decrease

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

Changes in investments categorized as Level 3 during the three months ended March 31, 2018 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$1,239,746,177	\$78,011,815	\$66,977,237
Net realized and unrealized gains (losses)	4,307,029	(534,353)	1,872,158
Acquisitions *	122,171,267	41,057,625	4,624,260
Dispositions	(62,213,949)	(914,549)	(3,206,510)
Transfers into Level 3 †	40,926,154	—	—
Transfer out of Level 3 ‡	(13,797,332)	—	—
Ending balance	\$1,331,139,346	\$117,620,538	\$70,267,145
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)	\$4,997,094	\$(534,353)	\$1,961,962

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

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

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$116,662	\$	—\$1,730,941
Net realized and unrealized gains (losses)	(623)	—	13,102
Acquisitions *	623	—	—
Dispositions	(116,662)	—	—
Ending balance	\$—	\$	—\$1,744,043
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)	\$—	\$	—\$13,102

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

There were no transfers between Level 1 and 2 during the three months ended March 31, 2018.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

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

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	\$—	\$—	\$87,555
2	Other direct and indirect observable market inputs *	116,531,066	11,331,250	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,239,746,177	78,011,815	66,977,237
3	Advisor valuations with significant unobservable inputs	116,662	—	1,730,941
	Total	\$1,356,393,905	\$89,343,065	\$68,795,733

*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, 2017 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	\$1,089,247,230	Income approach	Discount rate	5.1% - 32.5% (12.5%)
	92,717,995	Market quotations	Indicative bid/ask quotes	1 - 2 (1)
	22,199,690	Market comparable companies	Revenue multiples	0.3x - 2.9x (1.2x)
	35,697,924	Market comparable companies	EBITDA multiples	3.5x - 10.0x (6.9x)
Other Corporate Debt	64,271,565	Market quotations	Indicative bid/ask quotes	1 - 8 (1)
	4,472,250	Market comparable companies	Revenue multiples	2.0x (2.0x)
	9,268,000	Market comparable companies	EBITDA multiples	7.9x (7.9x)
Equity	8,119,621	Income approach	Discount rate	3.7% - 19.0% (7.0%)
	15,745,225	Market quotations	Indicative bid/ask quotes	1 (1)
	7,090,750	Option Pricing Model	EBITDA/Revenue multiples	1.9x - 12.2x (5.1x)
			Implied volatility	25.0% - 95.0% (55.0%)
			Risk free rate	1.3% - 2.0% (1.9%)
			Yield	0.0% (0.0%)
			Term	0.1 years - 4.5 years (2.5 years)
	1,475,758	Market comparable companies	Revenue multiples	0.3x - 2.9x (1.0x)
	19,812,951	Market comparable companies	EBITDA multiples	3.5x - 15.3x (8.9x)
	16,463,873	Other *	N/A	N/A

\$1,386,582,832

* Fair value was determined based on the most recently available net asset value of the issuer adjusted for identified changes in the valuations of the underlying portfolio of the issuer through the measurement date.

28

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

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

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

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

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

‡Comprised of two investments that reclassified to Advisor Valuation

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	\$107,199	\$	—\$1,560,161
Net realized and unrealized gains (losses)	(678)	—	(273,063)
Acquisitions *	(21,862)	—	—
Reclassifications within Level 3 †	—	—	1,782,147
Ending balance	\$84,659	\$	—\$3,069,245
Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above)	\$(678)	\$	—\$(273,063)

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

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

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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

Investment Transactions

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

Cash and Cash Equivalents

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

Restricted Investments

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

Foreign Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.6% and 0.6% of total investments at March 31, 2018 and December 31, 2017, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at March 31, 2018 and December 31, 2017 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

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

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Operating Company may enter into certain derivative transactions. All derivatives are 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

30

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

relative to the U.S. dollar. Certain derivatives may also require the Company to pledge assets as collateral to secure its obligations. As of March 31, 2018 and December 31, 2017, \$0.0 million and \$0.8 million, respectively, of cash was held as collateral and was included in cash and cash equivalents in the Consolidated Statements of Assets and Liabilities.

During the three months ended March 31, 2018, the Company exited its cross currency basis swap with a notional amount of \$7.2 million. Gains and losses from derivatives during the three months ended March 31, 2018 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	\$(726,950)	\$ 603,745

There were no derivative transactions during the three months ended March 31, 2017, and, as of March 31, 2017, no derivatives were outstanding.

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

Certain costs incurred in connection with the issuance and/or extension of debt of the Company and its subsidiaries were capitalized 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

31

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. The tax returns of the Company, the Operating Company, TCPC Funding and the SBIC remain open for examination by tax authorities for a period of three years from the date they are filed. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of investments (including derivatives) for U.S. federal income tax purposes at March 31, 2018 and December 31, 2017 were as follows:

	March 31, 2018	December 31, 2017
Unrealized appreciation	\$48,832,202	\$40,379,148
Unrealized depreciation	(75,781,957)	(73,606,938)
Net unrealized depreciation	\$(26,949,755)	\$(33,227,790)
 Cost	 \$1,647,337,880	 \$1,547,156,748

Recent Accounting Pronouncements

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. The Company adopted this pronouncement on January 1, 2018. Substantially all revenue streams are excluded from the scope of the new standard and the adoption of this pronouncement did not have a material impact on the Company's 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. The Company adopted this pronouncement on January 1, 2018. The adoption of this pronouncement did not have a material impact on the Company's consolidated financial statements.

On November 17, 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective retrospectively for interim and annual periods beginning after December 15, 2017. The adoption of this pronouncement did not have a material impact on the Company's 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

32

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

2. Summary of Significant Accounting Policies — (continued)

periods within those fiscal years. Early application is permitted. The Company does not expect the adoption of this pronouncement to have a material impact on the Company's consolidated financial statements.

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

3. Management Fees, Incentive Compensation and Other Expenses

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

Incentive compensation is only paid to the extent the total performance of the Company exceeds a cumulative 8% annual return since January 1, 2013 (the "Total Return Hurdle"). Beginning January 1, 2013, the incentive compensation equals 20% of net investment income 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 and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. On January 29, 2018, the Operating Company amended and restated its limited partnership agreement (the "LPA"), effective as of January 1, 2018, to convert the existing incentive compensation structure from a profit allocation and distribution to the General Partner into a fee payable to the Advisor pursuant to the investment management agreements. The amendment has no impact on the amount of the incentive compensation paid or services received. A reserve for incentive compensation is accrued based on the amount of additional incentive compensation that would have been payable to the Advisor assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. As of March 31, 2018 and December 31, 2017, no such reserve was accrued.

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

4. Leverage

Leverage is comprised of convertible senior unsecured notes due December 2019 issued by the Company (the "2019 Convertible Notes"), convertible senior unsecured notes due March 2022 issued by the Company (the "2022 Convertible Notes"), unsecured notes due August 2022 issued by the Company (the "2022 Notes"), amounts outstanding under a senior secured revolving, multi-currency credit facility issued by the Operating Company (the "SVCP 2022 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”). Prior to being replaced by the SVCP 2022 Facility on February 26, 2018, leverage included \$116.0 million in available debt under a senior secured revolving credit facility issued by the Operating Company (the “SVCP 2018 Facility”).

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

Total leverage outstanding and available at March 31, 2018 was as follows:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
SVCP 2022 Facility	2022	L+2.25%	\$56,995,000	\$43,005,000	\$100,000,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	107,131,572	—	107,131,572
2022 Convertible Notes (\$140 million par)	2022	4.625%	137,546,442	—	137,546,442
2022 Notes (\$175 million par)	2022	4.125%	174,436,660	—	174,436,660
TCPC Funding Facility	2021	L+2.50% [†]	203,000,000	147,000,000	350,000,000
SBA Debentures	2024–2028	2.63% [‡]	98,000,000	52,000,000	150,000,000
Total leverage			777,109,674	\$242,005,000	\$1,019,114,674
Unamortized issuance costs			(8,454,219)		
Debt, net of unamortized issuance costs			\$768,655,455		

* Except for the convertible notes and 2022 Notes, all carrying values are the same as the principal amounts outstanding.

[†] Or L+2.25% subject to certain funding requirements

Weighted-average interest rate on pooled loans, excluding fees of 0.36% or 0.35%. As of March 31, 2018, \$15.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary weighted-average rate of 2.72% plus fees of 0.35% through September 19, 2018, the date of the next SBA pooling.

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

	Maturity	Rate	Carrying Value*	Available	Total Capacity
SVCP 2018 Facility	2018	L+2.50% [†]	\$57,000,000	\$59,000,000	\$116,000,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	107,011,061	—	107,011,061
2022 Convertible Notes (\$140 million par)	2022	4.625 %	137,405,870	—	137,405,870
2022 Notes (\$175 million par)	2022	4.125 %	174,407,422	—	174,407,422
TCPC Funding Facility	2021	L+2.50% [‡]	175,000,000	175,000,000	350,000,000
SBA Debentures	2024–2028	2.57% [§]	83,000,000	67,000,000	150,000,000
Total leverage			733,824,353	\$301,000,000	\$1,034,824,353
Unamortized issuance costs			(8,624,072)		
Debt, net of unamortized issuance costs			\$725,200,281		

* Except for the convertible notes and 2022 Notes, all carrying values are the same as the principal amounts outstanding.

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

Or L+2.25% subject to certain funding requirements

34

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

Weighted-average interest rate on pooled loans, excluding fees of 0.36%. As of December 31, 2017, \$8.0 million if § the outstanding amount was not yet pooled, and bore interest at a temporary rate of 1.79% plus fees of 0.35% through March 20, 2018, the date of the next SBA pooling.

The combined weighted-average interest rates on total leverage outstanding at March 31, 2018 and December 31, 2017 were 4.18% and 4.13%, respectively.

Total expenses related to debt include:

	Three Months Ended	
	March 31,	
	2018	2017
Interest expense	\$8,081,980	\$6,535,580
Amortization of deferred debt issuance costs	1,172,399	*827,718
Commitment fees	387,515	391,729
Total	\$9,641,894	\$7,755,027

* Includes approximately \$0.3 million of amortized debt costs related to the early termination of the SVCP 2018 Facility

Outstanding leverage is carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of March 31, 2018, the estimated fair values of the SVCP 2022 Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes, the 2022 Convertible Notes and the 2022 Notes had estimated fair values of \$111.2 million, \$141.7 million and \$171.9 million, respectively. As of December 31, 2017, the estimated fair values of the SVCP 2018 Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes, the 2022 Convertible Notes and the 2022 Notes had estimated fair values of \$112.5 million, \$143.9 million and \$172.6 million, respectively. The estimated fair values of the SVCP 2022 Facility, the SVCP 2018 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 and 2022 Notes were determined using market quotations. The estimated fair values of the SVCP 2022 Facility, the SVCP 2018 Facility, the TCPC Funding Facility, the convertible notes, the 2022 Notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Unsecured Notes

On June 11, 2014, the Company issued \$108.0 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The 2019 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP 2022 Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2019 Convertible Notes prior to maturity. The 2019 Convertible Notes bear interest at an annual rate of 5.25%, payable semi-annually. In certain circumstances, the 2019 Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination of cash

and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 50.9100 shares of common stock per one thousand dollar principal amount, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 12.5% above the \$17.46 per share closing price of the Company's common stock on June 11, 2014. At March 31, 2018, 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.

35

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

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 2022 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 March 31, 2018, the principal amount of the 2022 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

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

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

The original issue discounts equal to the equity components of the 2019 Convertible Notes and 2022 Convertible Notes were recorded in “paid-in capital in excess of par” in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company records interest expense comprised of both stated interest and amortization of the original issue discounts. At the time of issuance, the equity components of the 2019 Convertible Notes and the 2022 Convertible Notes were \$2.5 million and \$3.3 million, respectively. As of March 31, 2018 and December 31, 2017, the components of the carrying values of the 2019 Convertible Notes and 2022 Convertible Notes were as follows:

36

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

	March 31, 2018		December 31, 2017	
	2019	2022	2019	2022
	Convertible	Convertible	Convertible	Convertible
	Notes	Notes	Notes	Notes
Principal amount of debt	\$ 108,000,000	\$ 140,000,000	\$ 108,000,000	\$ 140,000,000
Original issue discount, net of accretion	(868,428)	(2,453,558)	(988,939)	(2,594,130)
Carrying value of debt	\$ 107,131,572	\$ 137,546,442	\$ 107,011,061	\$ 137,405,870

For the three months ended March 31, 2018 and 2017, the components of interest expense for the convertible notes were as follows:

	Three Months Ended March 31,			
	2018		2017	
	2019	2022	2019	2022
	Convertible	Convertible	Convertible	Convertible
	Notes	Notes	Notes	Notes
Stated interest expense	\$ 1,417,500	\$ 1,618,750	\$ 1,417,500	\$ 1,636,736
Amortization of original issue discount	120,511	140,572	113,869	\$ 135,170
Total interest expense	\$ 1,538,011	\$ 1,759,322	\$ 1,531,369	\$ 1,771,906

The estimated effective interest rate of the debt component of the 2019 Convertible Notes, equal to the stated interest of 5.25% plus the accretion of the original issue discount, was approximately 5.75% for the three months ended March 31, 2018 and March 31, 2017. The estimated effective interest rate of the debt component of the 2022 Convertible Notes, equal to the stated interest of 4.625% plus the accretion of the original issue discount, was approximately 5.125% for the three months ended March 31, 2018 and March 31, 2017.

Unsecured Notes

On August 4, 2017, the Company issued \$125.0 million of unsecured notes that mature on August 11, 2022 (the "2022 Notes"). On November 3, 2017, the Company issued an additional \$50.0 million of the 2022 Notes. The 2022 Notes bear interest at an annual rate of 4.125%, payable semi-annually, and all principal is due upon maturity. The 2022 Notes are general unsecured obligations of the Company and rank structurally junior to the SVCP 2022 Facility and the TCPC Funding Facility. The 2022 Notes may be redeemed in whole or part at the Company's option at a redemption price equal to par plus a "make whole" premium, as determined pursuant to the indenture governing the 2022 Notes, and any accrued and unpaid interest. The 2022 Notes were issued at a discount to the principal amount.

As of March 31, 2018, the components of the carrying value of the 2022 Notes were as follows:

	March 31,	December 31,
	2018	2017
Principal amount of debt	\$ 175,000,000	\$ 175,000,000
Original issue discount, net of accretion	(563,340)	(592,578)
Carrying value of debt	\$ 174,436,660	\$ 174,407,422

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

For the three months ended March 31, 2018 and March 31, 2017, the components of interest expense for the 2022 Notes were as follows:

	Three Months Ended March 31,	
	2018	2017
Stated interest expense	\$1,804,688	N/A
Amortization of original issue discount	29,237	N/A
Total interest expense	\$1,833,925	N/A

SVCP 2022 Facility

The SVCP 2022 Facility consists of a revolving, multi-currency credit facility which provides for amounts to be drawn up to \$100.0 million, subject to certain collateral and other restrictions. The SVCP 2022 Facility matures on February 28, 2022, subject to extension by the lenders at the request of the Operating Company, and contains an accordion feature pursuant to which the credit line may increase up to an aggregate of \$300.0 million, subject to consent from the applicable lenders and other customary conditions. 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.

Borrowings under the SVCP 2022 Facility generally bear interest at a rate of LIBOR plus 2.25%. In addition to amounts due on outstanding debt, the SVCP 2022 Facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 2.25% per annum on the unused portion that is greater than 60% of the total facility. The SVCP 2022 Facility may be terminated, and any outstanding amounts thereunder may become due and payable, should the Operating Company fail to satisfy certain financial or other covenants. As of March 31, 2018, the Operating Company was in full compliance with such covenants.

SVCP 2018 Facility

Prior to being replaced by the SVCP 2022 Facility on February 26, 2018, the SVCP 2018 Facility consisted of a senior secured revolving credit facility which provided for amounts to be drawn up to \$116.0 million, subject to certain collateral and other restrictions. The SVCP 2018 Facility was originally set to mature on July 31, 2018. Advances under the SVCP 2018 Facility bore 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 2018 Facility accrued 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 were outstanding.

SBA Debentures

As of March 31, 2018, the SBIC is able to issue up to \$150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of March 31, 2018, 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.

38

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

SBA Debentures outstanding as of March 31, 2018 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 %
September 20, 2017	September 1, 2027	14,000,000	2.52 %	0.36 %
October 20, 2017	March 1, 2028	8,000,000	3.19 %	0.35 %
		83,000,000	2.63 % *	
Non-pooled loans:				
March 19, 2018	September 18, 2018	5,000,000	2.69 %	0.35 %
March 28, 2018	September 18, 2018	10,000,000	2.73 %	0.35 %
		\$98,000,000		

*Weighted-average interest rate on pooled loans

SBA Debentures outstanding as of December 31, 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 %
September 20, 2017	September 1, 2027	14,000,000	2.52 %	0.36 %
		75,000,000	2.57 % *	
Non-pooled loans:				
October 20, 2017	March 20, 2018	8,000,000	1.79 %	0.35 %
		\$83,000,000		

*Weighted-average interest rate on pooled loans

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

39

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

4. Leverage — (continued)

expansion of the facility to up to \$400.0 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding are included in the collateral for the facility.

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus either 2.25% or 2.50% per annum, subject to certain funding requirements, plus an administrative fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 0.75% per annum when the unused portion is greater than 33% of the total facility, plus an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of March 31, 2018, 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.

40

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

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

The Consolidated Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at March 31, 2018 and December 31, 2017 as follows:

Issuer	Maturity	Unfunded Balances	
		March 31, 2018	December 31, 2017
Alera Group Intermediate Holdings, Inc.	12/30/2022	\$759,546	\$759,546
Alera Group Intermediate Holdings, Inc.	12/30/2021	N/A	375,000
Applause App Quality, Inc.	9/20/2022	1,509,820	1,509,820
Auto Trakk SPV, LLC	12/21/2021	6,996,308	6,996,308
Bisnow, LLC	4/29/2021	1,200,000	1,200,000
Caliber Home Loans, Inc.	6/30/2020	888,889	2,888,889
Datto, Inc.	12/7/2022	2,207,152	2,207,152
Domo, Inc.	2/1/2021	15,296,963	15,296,963
Edmentum, Inc.	6/9/2020	1,772,465	1,179,005
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	4,000,000
Foursquare Labs, Inc.	6/1/2020	N/A	3,750,000
HighTower Holding, LLC	1/31/2026	6,169,355	N/A
IAS Investco, Inc.	1/24/2021	1,714,286	7,542,857
InMobi, Inc.	12/31/2019	N/A	8,299,181
JAMF Holdings, Inc.	11/13/2022	1,214,052	1,214,052
Lithium Technologies, LLC	10/3/2022	1,528,136	1,528,136
Marketo, Inc.	8/16/2021	N/A	1,704,545
Patient Point Network Solutions, LLC	6/26/2022	440,474	440,474
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	671,356	671,356
Pulse Secure, LLC	5/1/2022	1,342,516	1,342,516
RM OpCo, LLC (Real Mex)	3/30/2018	149,305	1,298,304
Tradeshift Holdings, Inc.	9/1/2020	5,352,908	8,411,712
VSS-Southern Holdings, LLC	11/3/2020	856,164	856,164
Videology Tech Technologies, LLC	1/10/2020	12,521,883	10,673,794
Xactly Corporation	7/31/2022	1,405,501	1,405,501
Total Unfunded Balances		\$67,997,079	\$85,551,275

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

6. Related Party Transactions

The Company, the Operating Company, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Operating Company advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. At March 31, 2018 and December 31, 2017, no such amounts were outstanding. From time to time, the Advisor advances payments to third parties on behalf of the Company and the Operating Company and receives reimbursement from the Company and the Operating Company. At March 31, 2018 and December 31, 2017, amounts reimbursable to the Advisor totaled \$0.8 million and \$0.8 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to administration agreements between the Administrator and each of the Company and the Operating Company (the "Administration Agreements"), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Company or the Operating Company, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Company or the Operating Company. For the three months ended March 31, 2018 and 2017, expenses allocated pursuant to the Administration Agreements totaled \$0.6 million and \$0.6 million, respectively.

7. Stockholders' Equity and Dividends

The following table summarizes the total shares issued and proceeds received in connection with the Company's dividend reinvestment plan for the three months ended March 31, 2018:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	192	\$ 14.18*	\$ 2,723

*Weighted-average price per share

The following table summarizes the total shares issued and proceeds received in public offerings of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the year ended December 31, 2017:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	643	\$ 16.46*	\$ 10,585
April 25, 2017 public offering	5,750,000	16.84	93,597,500
At-the-market offerings	54,713	15.78	*863,398

* Weighted-average price per share

The Company's dividends are recorded on the ex-dividend date. The following table summarizes the Company's dividends declared and paid for the three months ended March 31, 2018:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 27, 2018	March 16, 2018	March 30, 2018	Regular	\$ 0.36	\$21,184,004

42

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

7. Stockholders' Equity and Dividends — (continued)

The following table summarizes the Company's dividends declared and paid for the three months ended March 31, 2017:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 28, 2017	March 17, 2017	March 31, 2017	Regular	\$ 0.36	\$ 19,095,084

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 2, 2018, to be in effect through the earlier of two trading days after the Company's second quarter 2018 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.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the three months ended March 31, 2018:

Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan 11,300	\$14.21*	\$ 160,615

*Weighted-average price per share

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

8. Earnings Per Share

In accordance with ASC 260, Earnings per Share, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the three months ended March 31, 2018 and 2017:

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

	Three Months Ended	
	March 31,	
	2018	2017
Net increase in net assets applicable to common shareholders resulting from operations	\$27,188,785	\$19,435,550
Weighted average shares outstanding	58,844,381	53,041,902
Earnings per share	\$0.46	\$0.37

43

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

9. Subsequent Events

On April 17, 2018, the Advisor entered into a definitive agreement with BlackRock, Inc. ("BlackRock"), pursuant to which the Advisor will be merged with and into a wholly-owned subsidiary of BlackRock Capital Investment Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock (the "Transaction"), with the Advisor being the surviving entity after the merger. The closing of the Transaction would result in an assignment for purposes of the Investment Company Act of 1940 of the investment management agreement between the Company and the Advisor and the investment management agreement between Operating Company and the Advisor and, as a result, the immediate termination of such agreements. The consummation of the Transaction is subject to certain terms and conditions, including, among others, (i) the approval of a new investment management agreement between the Company and the Advisor by the stockholders of the Company and (ii) the approval of a new investment management agreement between the Operating Company and the Advisor by the limited partners of the Operating Company. The closing of the Transaction is expected to occur in the third quarter of 2018.

On May 2, 2018, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's second quarter 2018 earnings release or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On May 9, 2018, the Company's board of directors declared a second quarter regular dividend of \$0.36 per share payable on June 29, 2018 to stockholders of record as of the close of business on June 15, 2018.

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

10. Financial Highlights

	Three Months Ended	
	March 31, 2018	2017
Per Common Share		
Per share NAV at beginning of period	\$ 14.80	\$ 14.91
Investment operations:		
Net investment income (net of incentive fees for periods after January 1, 2018)	0.37	0.47
Net realized and unrealized gains (losses)	0.09	(0.01)
Incentive allocation reserve and distributions	N/A	(0.09)
Total from investment operations	0.46	0.37
Repurchase of common stock	—	—
Distributions to common shareholders from:		
Net investment income	(0.36)	(0.36)
Per share NAV at end of period	\$ 14.90	\$ 14.92
Per share market price at end of period	\$ 14.22	\$ 17.42
Total return based on market value ^{(1), (2)}	(4.6)%	5.2 %
Total return based on net asset value ^{(1), (3)}	3.1 %	2.5 %
Shares outstanding at end of period	58,836,14853,042,047	

45

TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

March 31, 2018

10. Financial Highlights — (continued)

	Three Months Ended March 31,			
	2018	2017		
Ratios to average common equity: ⁽⁴⁾				
Net investment income ⁽⁵⁾	11.8	% 12.1	%	
Expenses excluding incentive compensation	8.0	% 7.4	%	
Expenses including incentive compensation ⁽⁶⁾	8.6	% 8.0	%	
Ending common shareholder equity	\$876,575,015	\$791,279,021		
Portfolio turnover rate	4.6	% 8.8	%	
Weighted-average leverage outstanding	\$708,131,148	\$596,480,606		
Weighted-average interest rate on leverage	4.6	% 4.4	%	
Weighted-average number of common shares	58,844,381	53,041,902		
Average leverage per share	\$12.03	\$11.25		

(1) Not annualized

Total return based on market value equals the change in ending market value per share during the period plus (2) declared dividends per share during the period, divided by the market value per share at the beginning of the period.

Total return based on net asset value equals the change in net asset value per share during the period plus declared (3) 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 compensation

(5) Net of incentive compensation

(6) Includes incentive compensation and all Company expenses

TCP Capital Corp.

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

Three Months Ended March 31, 2018

Security	Dividends or Interest (2)	Fair Value at December 31, 2017	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value March 31, 2018
36th Street Capital Partners Holdings, LLC, Membership Units	\$ 17,902	\$ 12,576,276	\$	—\$ 541,230	\$	—\$	\$ 13,117,506
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	897,385	30,827,391	—	—	—	(914,552)	29,912,839
AGY Holding Corp., Common Stock	—	—	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/18	254,870	9,268,000	—	—	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	31,474	1,049,147	—	(1)	—	—	1,049,146
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/18	146,087	4,869,577	—	—	—	—	4,869,577
Anacomp, Inc., Class A Common Stock	—	1,418,746	—	—	—	—	1,418,746
Conergy Asia & ME Pte. Ltd., 1st Lien Term Loan, 10%, due 6/30/2018	16,438	666,667	—	—	—	—	666,667
Conergy Asia Holdings Limited, Class B Shares	—	1,027,700	—	—	—	—	1,027,700
Conergy Asia Holdings Limited, Ordinary Shares	—	193,847	—	(86,848)	—	—	106,999
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	402,364	10,377,830	—	(434,645)	404,232	—	10,347,417
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	66,820	3,099,573	—	—	67,330	—	3,166,903
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	38,762	2,189,584	—	—	1,179,007	—	3,368,591
Edmentum, Inc., Senior Secured 2nd Lien Term Loan, 7% PIK, due 12/8/21	318,790	—	—	—	7,355,737	—	7,355,737
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	—	—	—	—	—	—
Edmentum Ultimate Holdings, LLC, Warrants to Purchase Class A Common Units	—	—	—	—	—	—	—
EPMC HoldCo, LLC, Membership Units	—	210,035	—	—	—	—	210,035
Globecomm Systems, Inc., Senior Secured 1st Lien Incremental Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,052	175,824	—	421	4,211	—	180,456
	129,914	7,200,000	—	—	127,125	—	7,327,125

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

Globecomm Systems, Inc., Senior Secured 1st Tranche Term Loan, LIBOR + 5.5%, 1.25% LIBOR Floor, due 12/11/21							
Globecomm Systems, Inc., Senior Secured 2nd Tranche Term Loan, LIBOR + 8%, 1.25% LIBOR Floor, due 12/11/21	58,448	2,400,000	—	—	57,375	—	2,457,375
Globecomm Systems, Inc., Senior Secured 3rd Tranche Term Loan, 12.5% PIK, due 12/11/21	39,271	1,248,000	—	—	39,000	—	1,287,000
Globecomm Systems, Inc., Senior Secured 4th Tranche Term Loan, 12.5% PIK, due 12/11/21	70,990	2,256,000	—	(146,802)	70,500	—	2,179,698
HCT Acquisition, LLC (Globecomm), Membership Units	—	531,575	—	(531,575)	—	—	—
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	50,620	1,900,733	—	(1)	—	—	1,900,732
Iracore Investments Holdings, Inc., Class A Common Stock	—	3,458,749	—	(293,308)	—	—	3,165,441
KAGY Holding Company, Inc., Series A Preferred Stock	—	11,034,519	—	(841,537)	—	—	10,192,982
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, LIBOR + 8% PIK, due 7/2/18	366,790	16,233,431	—	—	—	(1,066,428)	15,167,008
Kawa Solar Holdings Limited, Revolving Credit Facility, 0%, due 7/2/18	—	7,048,850	—	—	1,066,667	—	8,115,517
Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	—	—	—	—	—	—
RM Holdco, LLC (Real Mex), Equity Participation	—	—	—	—	—	—	—
RM Holdco, LLC (Real Mex), Membership Units	31,486	—	—	1,316	—	—	1,316
RM OpCo, LLC (Real Mex), Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	45,650	862,509	—	(508,116)	45,319	—	399,712
RM OpCo, LLC (Real Mex), Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	156,311	7,250,973	—	—	155,176	—	7,406,149
RM OpCo, LLC (Real Mex), Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/30/18	86,757	4,899,257	—	—	86,248	—	4,985,505
RM OpCo, LLC (Real Mex), Senior Secured 1st Out Term Loan Tranche A, 8.5%, due 3/30/18	42,918	—	—	(29,208)	1,185,010	—	1,155,802
RM OpCo, LLC (Real Mex), Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	—	—	—	—	—	—	—

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

RM OpCo, LLC (Real Mex), Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	71,636	1,353,457	—	(797,339)	71,114	—	627,232
United N659UA-767, LLC (Aircraft Trust Holding Company)	39,952	3,161,798	—	(103,428)	—	(90,460)	2,967,910
United N661UA-767, LLC (Aircraft Trust Holding Company)	34,505	3,228,449	—	(99,660)	—	(95,907)	3,032,882

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates⁽¹⁾

Year Ended December 31, 2017

Security	Dividends or Interest (2)	Fair Value at December 31, 2016	Net realized gain or loss	Net increase or decrease in unrealized appreciation or depreciation	Acquisitions (3)	Dispositions (4)	Fair Value at December 31, 2017
36th Street Capital Partners Holdings, LLC, Membership Units	\$237,398	\$6,818,897	\$ —	\$3,630,283	\$3,739,948	\$(1,612,852)	\$12,576,276
36th Street Capital Partners Holdings, LLC, Senior Note, 12%, due 11/1/20	3,531,468	29,203,304	—	—	19,453,808	(17,829,721)	30,827,391
AGY Holding Corp., Common Stock	—	—	—	—	—	—	—
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/18	1,019,480	9,268,000	—	—	—	—	9,268,000
AGY Holding Corp., Senior Secured Delayed Draw Term Loan, 12%, due 9/15/18	127,646	1,049,147	—	—	—	—	1,049,147
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/18	592,465	4,869,710	—	(133)	—	—	4,869,577
Anacomp, Inc., Class A Common Stock	—	1,205,306	—	213,440	—	—	1,418,746
Conergy Asia & ME Pte. Ltd., 1st Lien Term Loan, 10%, due 6/30/2018	2,374	—	—	—	666,667	—	666,667
Conergy Asia Holdings Limited, Class B Shares	—	—	—	27,700	1,000,000	—	1,027,700
Conergy Asia Holdings Limited, Ordinary Shares	—	—	—	(7,639,487)	7,833,334	—	193,847
Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20	1,523,633	12,101,483	—	(3,223,635)	1,499,982	—	10,377,830
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	257,039	2,846,246	—	—	253,327	—	3,099,573
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	94,882	—	—	—	5,558,173	(3,368,589)	2,189,584
Edmentum Ultimate Holdings, LLC, Class A Common Units	—	1,123,591	—	(1,123,591)	—	—	—
	—	210,035	—	—	—	—	210,035

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

EPMC HoldCo, LLC, Membership Units							
Essex Ocean II, LLC, Membership Units	—	159,045	(103,398	(55,647) —	—	—
Globecomm Systems, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,229,572	14,480,002	(2,113,200	(144,800) 1,450,895	(13,672,896)	—
Globecomm Systems, Inc., Senior Secured 1st Lien Incremental Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	5,322	—	(138)	4,220	204,227	(32,485)	175,824
Globecomm Systems, Inc., Senior Secured 1st Tranche Term Loan, LIBOR + 5.5%, 1.25% LIBOR Floor, due 12/11/21	28,250	—	—	—	7,200,000	—	7,200,000
Globecomm Systems, Inc., Senior Secured 2nd Tranche Term Loan, LIBOR + 8%, 1.25% LIBOR Floor, due 12/11/21	12,750	—	—	—	2,400,000	—	2,400,000
Globecomm Systems, Inc., Senior Secured 3rd Tranche Term Loan, 12.5% PIK, due 12/11/21	8,667	—	—	—	1,248,000	—	1,248,000
Globecomm Systems, Inc., Senior Secured 4th Tranche Term Loan, 12.5% PIK, due 12/11/21	15,667	—	—	—	2,256,000	—	2,256,000
HCT Acquisition, LLC (Globecomm), Membership Units	—	—	—	—	531,575	—	531,575
Iracore International Holdings, Inc., Senior Secured 1st Lien Term Loan, LIBOR + 9%, 1% LIBOR Floor, due 4/13/21	141,935	—	—	—	1,900,733	—	1,900,733
Iracore Investments Holdings, Inc., Class A Common Stock	—	—	—	(718,961)	4,177,710	—	3,458,749
KAGY Holding Company, Inc., Series A Preferred Stock	—	4,607,246	—	6,427,273	—	—	11,034,519
Kawa Solar Holdings Limited, Bank Guarantee Credit Facility, LIBOR + 8% PIK, due 7/2/18	2,019,092	21,276,653	—	—	676,937	(5,720,159)	16,233,431
Kawa Solar Holdings Limited, Revolving Credit Facility, 0%, due 7/2/18	291,523	4,000,000	—	—	3,048,850	—	7,048,850

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

Kawa Solar Holdings Limited, Ordinary Shares	—	—	—	—	—	—	—
Kawa Solar Holdings Limited, Series B Preferred Shares	—	1,395,350	—	(1,395,350)	—	—	—
RM Holdco, LLC (Real Mex), Equity Participation	—	—	—	—	—	—	—
RM Holdco, LLC (Real Mex), Membership Units	125,944	—	—	—	—	—	—
RM OpCo, LLC (Real Mex), Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	175,531	1,943,371	—	(1,255,117)	174,255	—	862,509
RM OpCo, LLC (Real Mex), Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	518,652	4,251,368	—	—	2,999,605	—	7,250,973
RM OpCo, LLC (Real Mex), Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/30/18	346,793	4,871,284	—	—	27,973	—	4,899,257
RM OpCo, LLC (Real Mex), Senior Secured 1st Out Term Loan Tranche A, 8.5%, due 3/30/18	—	—	—	38,949	—	(38,949)	—
RM OpCo, LLC (Real Mex), Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	644,597	3,154,770	—	(3,870,242)	715,472	—	—
RM OpCo, LLC (Real Mex), Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	275,444	3,049,555	—	(1,969,541)	273,443	—	1,353,457
United N659UA-767, LLC (Aircraft Trust Holding Company)	159,808	3,191,938	—	331,701	—	(361,841)	3,161,798
United N661UA-767, LLC (Aircraft Trust Holding Company)	134,558	3,266,101	—	345,978	—	(383,630)	3,228,449
Wasserstein Cosmos Co-Invest, L.P. (Globecomm), Limited Partnership Units	—	1,530,000	(5,000,000)	3,470,000	—	—	—

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 and amortization of original issue and market discounts.
- (4) Dispositions include decreases in the cost basis from sales, paydowns, mortgage amortizations and aircraft depreciation.

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

March 31, 2018

Investment	Acquisition Date
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC (144A), Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
CFG Investments Limited, Subordinated Class B Notes, 9.42%, due 11/15/26	11/7/17
Domo, Inc., Warrants to Purchase Series D-2 Preferred Stock	12/5/17
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/17
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
GACP I, LP, Membership Units	10/1/15
GlassPoint Solar, Inc., Warrants to Purchase Series C-1 Preferred Stock	2/7/17
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Convertible Note, 10% PIK, due 6/30/19	7/12/17
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Common Stock	8/22/17
InMobi, Inc., Warrants to Purchase Series E Preferred Stock	9/18/15
Lions Holdings, Inc., (BPA), Series A Warrants to Purchase Common Stock	7/14/17
Lions Holdings, Inc., (BPA), Series B Warrants to Purchase Common Stock	7/14/17
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class B Warrants to Purchase Class A Units	10/17/16
Shop Holding, LLC (Connexity), Class A Units	6/2/11
SnapLogic, Inc., Warrants to Purchase Series Preferred Stock	3/20/18
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/17
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12

49

TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2017

Investment	Acquisition Date
Actifio, Inc., Warrants to Purchase Series F Preferred Stock	5/5/17
Avanti Communications Group, PLC (144A), Senior New Money Initial Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Second-Priority PIK Toggle Note, 10%, due 10/1/21	1/26/17
Avanti Communications Group, PLC (144A), Senior Secured Third-Priority Note, 12%, due 10/1/23	1/26/17
CFG Investments Limited, Subordinated Class B Notes, 9.42%, due 11/15/26	11/7/17
Domo, Inc., Warrants to Purchase Series D-2 Preferred Stock	12/5/17
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Foursquare Labs, Inc., Warrants to Purchase Series E Preferred Stock	5/4/17
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
GACP I, LP, Membership Units	10/1/15
GlassPoint Solar, Inc., Warrants to Purchase Series C-1 Preferred Stock	2/7/17
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Convertible Note, 10% PIK, due 6/30/19	7/12/17
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Common Stock	8/22/17
InMobi, Inc., Warrants to Purchase Series E Preferred Stock	9/18/15
Lions Holdings, Inc., (BPA), Series A Warrants to Purchase Common Stock	7/14/17
Lions Holdings, Inc., (BPA), Series B Warrants to Purchase Common Stock	7/14/17
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC (CORE Entertainment, Inc.), Class B Warrants to Purchase Class A Units	10/17/16
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Tradeshift, Inc., Warrants to Purchase Series D Preferred Stock	3/9/17
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12

50

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities (Unaudited)

March 31, 2018

	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	\$—	\$1,461,952,420	\$—	\$1,461,952,420
Companies 5% to 25% owned	—	82,901,931	—	82,901,931
Companies more than 25% owned	—	75,533,774	—	75,533,774
Investment in subsidiary	1,293,384,655	—	(1,293,384,655)	—
Total investments	1,293,384,655	1,620,388,125	(1,293,384,655)	1,620,388,125
Cash and cash equivalents	—	13,736,624	—	13,736,624
Accrued interest income	—	21,146,584	—	21,146,584
Deferred debt issuance costs	—	4,200,912	—	4,200,912
Receivable for investments sold	—	198,662	—	198,662
Prepaid expenses and other assets	742,391	5,202,466	—	5,944,857
Total assets	1,294,127,046	1,664,873,373	(1,293,384,655)	1,665,615,764
Liabilities				
Debt, net of unamortized issuance costs	413,715,112	354,940,343	—	768,655,455
Management and advisory fees payable	—	5,552,866	—	5,552,866
Incentive compensation payable	—	5,391,278	—	5,391,278
Interest payable	3,207,605	1,956,594	—	5,164,199
Payable for investment securities purchased	—	1,405,087	—	1,405,087
Payable to the Advisor	348,385	475,076	—	823,461
Accrued expenses and other liabilities	280,929	1,767,474	—	2,048,403
Total liabilities	417,552,031	371,488,718	—	789,040,749
Net assets	\$876,575,015	\$1,293,384,655	\$(1,293,384,655)	\$876,575,015
Composition of net assets				
Common stock	\$58,836	\$—	\$—	\$58,836
Additional paid-in capital	1,038,698,067	1,447,909,876	(1,447,909,876)	1,038,698,067
Accumulated deficit	(162,181,888)	(154,525,221)	154,525,221	(162,181,888)
Net assets	\$876,575,015	\$1,293,384,655	\$(1,293,384,655)	\$876,575,015

51

TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2017

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments, at fair value:				
Companies less than 5% owned	\$—	\$1,362,514,206	\$—	\$1,362,514,206
Companies 5% to 25% owned	—	75,635,342	—	75,635,342
Companies more than 25% owned	—	76,383,155	—	76,383,155
Investment in subsidiary	1,288,902,795	—	(1,288,902,795)	—
Total investments	1,288,902,795	1,514,532,703	(1,288,902,795)	1,514,532,703
Cash and cash equivalents	—	86,625,237	—	86,625,237
Accrued interest income	—	19,367,938	—	19,367,938
Deferred debt issuance costs	—	3,276,838	—	3,276,838
Receivable for investments sold	—	431,483	—	431,483
Prepaid expenses and other assets	767,225	4,420,944	—	5,188,169
Total assets	1,289,670,020	1,628,655,143	(1,288,902,795)	1,629,422,368
Liabilities				
Debt, net of unamortized issuance costs	412,976,376	312,223,905	—	725,200,281
Payable for investment securities purchased	—	16,474,632	—	16,474,632
Interest payable	5,213,543	2,557,994	—	7,771,537
Incentive compensation payable	—	5,983,135	—	5,983,135
Payable to the Advisor	358,674	442,029	—	800,703
Unrealized depreciation on swaps	—	603,745	—	603,745
Accrued expenses and other liabilities	393,301	1,466,908	—	1,860,209
Total liabilities	418,941,894	339,752,348	—	758,694,242
Net assets	\$870,728,126	\$1,288,902,795	\$(1,288,902,795)	\$870,728,126
Composition of net assets				
Common stock	\$58,847	\$—	\$—	\$58,847
Additional paid-in capital	1,038,855,948	1,448,070,491	(1,448,070,491)	1,038,855,948
Accumulated deficit	(168,186,669)	(159,167,696)	159,167,696	(168,186,669)
Net assets	\$870,728,126	\$1,288,902,795	\$(1,288,902,795)	\$870,728,126

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Three Months Ended March 31, 2018

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	\$—	\$40,797,854	\$—	\$40,797,854
Companies 5% to 25% owned	—	1,746,864	—	1,746,864
Companies more than 25% owned	—	1,280,613	—	1,280,613
Dividend income:				
Companies more than 25% owned	—	17,902	—	17,902
Lease income:				
Companies more than 25% owned	—	74,457	—	74,457
Other income:				
Companies 5% to 25% owned	—	297,356	—	297,356
Total investment income	—	44,215,046	—	44,215,046
Operating expenses				
Interest and other debt expenses	5,579,673	4,062,221	—	9,641,894
Management and advisory fees	—	5,706,236	—	5,706,236
Incentive fee	—	5,391,278	—	5,391,278
Administration expenses	—	597,232	—	597,232
Legal fees, professional fees and due diligence expenses	159,377	274,926	—	434,303
Director fees	52,272	104,544	—	156,816
Insurance expense	35,620	71,245	—	106,865
Custody fees	875	90,980	—	91,855
Other operating expenses	201,719	321,735	—	523,454
Total operating expenses	6,029,536	16,620,397	—	22,649,933
Net investment income (loss)	(6,029,536)	27,594,649	—	21,565,113
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized loss:				
Investments in companies less than 5% owned	—	(632,776)	—	(632,776)
Net realized gain	—	(632,776)	—	(632,776)
Change in net unrealized appreciation/depreciation	—	6,256,448	—	6,256,448
Net realized and unrealized loss	—	5,623,672	—	5,623,672
Net increase (decrease) in net assets from operations	(6,029,536)	33,218,321	—	27,188,785
Interest in earnings of subsidiary	33,218,321	—	(33,218,321)	—
Net increase in net assets applicable to common equityholders resulting from operations	\$27,188,785	\$33,218,321	\$(33,218,321)	\$27,188,785

TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Three Months Ended March 31, 2017

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

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

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

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

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

We have based the forward-looking statements included in this report on information available to us on the date of this report, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or

through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

Overview

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

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

Our leverage program is comprised of \$100.0 million in available debt under a revolving, multi-currency credit facility issued by the Operating Company (the “SVCP 2022 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”), \$175.0 million in senior unsecured notes issued by the Holding Company maturing in 2022 (the “2022 Notes”) and \$150.0 million in committed leverage from the SBA (the “SBA Program” and, together with the SVCP 2022 Facility, the TCPC Funding Facility, the 2019 Convertible Notes, the 2022 Convertible Notes and the 2022 Notes, the “Leverage Program”).

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

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and

acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

56

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in “qualifying assets,” including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than \$250.0 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We are also permitted to make certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of March 31, 2018, 86.1% 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;

57

transfer agent and custodial fees;

registration fees;

listing fees;

taxes;

director fees and expenses;

costs of preparing and filing reports or other documents with the SEC;

costs of any reports, proxy statements or other notices to our stockholders, including printing costs;

our fidelity bond;

directors and officers/errors and omissions liability insurance, and any other insurance premiums;

indemnification payments;

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

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

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

Additionally, the investment management agreements 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 of the ordinary income of TCPC 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 of TCPC annually. Through December 31, 2017, the incentive compensation was payable to the General Partner by the Operating Company pursuant to the limited partnership agreement (the "LPA"). Effective January 1, 2018, the LPA was amended to remove the incentive compensation distribution provisions therein, and the incentive compensation became payable as a fee under the investment management agreements. The amendment has no impact on the amount of the incentive compensation paid or services received by the Operating Company. 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.

58

Valuation of portfolio investments

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

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. However, short term debt investments with remaining maturities within 90 days are generally valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of our investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our board of directors, who also approve in good faith the valuation of such securities as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a “forced” sale by a distressed seller, where market quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

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

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

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

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

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

Those investments for which market quotations are not readily available or for which market quotations are deemed not to represent fair value are valued utilizing a market approach, an income approach, or both approaches, as appropriate. The market approach uses prices and other relevant information generated by market transactions

59

involving identical or comparable assets or liabilities (including a business). The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, our principal market (as the reporting entity) and enterprise values.

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

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

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

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

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

As of March 31, 2018, less than 0.1% of our investments were categorized as Level 1, 6.1% were categorized as Level 2, 93.7% were Level 3 investments valued based on valuations by independent third party sources, and 0.1% were Level 3 investments valued based on valuations by the Advisor.

As of December 31, 2017, less than 0.1% of our investments were categorized as Level 1, 8.4% were categorized as Level 2, 91.4% 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.

60

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

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

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

Portfolio and investment activity

During the three months ended March 31, 2018, we invested approximately \$169.1 million, comprised of new investments in six new and six existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 97.4% were in senior secured debt comprised of senior secured loans (\$126.8 million, or 75.0% of total acquisitions) and senior secured notes (\$38.0 million, or 22.4% of total acquisitions). The remaining \$4.3 million (2.6% of total acquisitions) represented equity interests in a portfolio of debt assets. Additionally, we received approximately \$71.0 million in proceeds from sales or repayments of investments during the three months ended March 31, 2018.

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

At March 31, 2018, our investment portfolio of \$1,620.4 million (at fair value) consisted of 97 portfolio companies and was invested 95.6% in debt investments, primarily in senior secured debt. In aggregate, our investment portfolio was invested 86.8% in senior secured loans, 6.2% in senior secured notes, 2.6% in junior notes and 4.4% in equity investments. Our average portfolio company investment at fair value was approximately \$16.7 million. Our largest portfolio company investment by value was approximately 3.0% of our portfolio and our five largest portfolio company investments by value comprised approximately 13.1% of our portfolio at March 31, 2018.

At December 31, 2017, our investment portfolio of \$1,514.5 million (at fair value) consisted of 96 portfolio companies and was invested 95.5% in debt investments, primarily in senior secured debt. In aggregate, our investment portfolio was invested 86.3% in senior secured loans, 6.5% in senior secured notes, 2.7% in junior notes and 4.5% in equity investments. Our average portfolio company investment at fair value was approximately \$15.8 million. Our largest portfolio company investment by value was approximately 2.9% of our portfolio and our five largest portfolio company investments by value comprised approximately 13.3% of our portfolio at December 31, 2017.

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

The industry composition of our portfolio at fair value at March 31, 2018 was as follows:

Industry	Percent of Total Investments
Software	20.2 %
Data Processing and Hosting Services	7.9 %
Financial Investment Activities	4.9 %
Computer Systems Design and Related Services	4.4 %
Credit (Nondepository)	4.4 %
Advertising, Public Relations and Marketing	3.7 %
Insurance	3.5 %
Business Support Services	3.4 %
Management, Scientific, and Technical Consulting Services	2.8 %
Lessors of Nonfinancial Licenses	2.8 %
Equipment Leasing	2.6 %
Air Transportation	2.6 %
Pharmaceuticals	2.5 %
Scientific Research and Development Services	2.5 %
Credit Related Activities	2.5 %
Other Real Estate Activities	2.4 %
Utility System Construction	2.2 %
Chemicals	2.0 %
Amusement and Recreation	1.9 %
Health Care	1.8 %
Textile Furnishings Mills	1.7 %
Other Telecommunications	1.6 %
Other Manufacturing	1.6 %
Educational Support Services	1.5 %
Retail	1.5 %
Wired Telecommunications Carriers	1.2 %
Real Estate Leasing	1.2 %
Other Information Services	1.0 %
Other	7.7 %
Total	100.0 %

The weighted average effective yield of our debt portfolio was 11.3% at March 31, 2018 and 11.0% at December 31, 2017. The weighted average effective yield of our total portfolio was 11.0% at March 31, 2018 and 10.5% at December 31, 2017. At March 31, 2018, 87.6% 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 12.4% 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 78.4% at March 31, 2018. At December 31, 2017, 89.2% 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 10.8% 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 82.7% at December 31, 2017.

Results of operations

Investment income

Investment income totaled \$44.2 million and \$39.3 million, respectively, for the three months ended March 31, 2018 and 2017, of which \$43.8 million and \$38.8 million were attributable to interest and fees on our debt investments, \$0.1 million and \$0.1 million to lease income and \$0.3 million and \$0.4 million to other income, respectively. Included in interest and fees on our debt investments were \$1.7 million and \$3.3 million of non-recurring income related to prepayments for the three months ended March 31, 2018 and 2017, respectively. The increase in investment income in the three months ended March 31, 2018 compared to the three months ended March 31, 2017 reflects an increase in interest income due to the larger portfolio size during the three months ended March 31, 2018 compared to the three months ended March 31, 2017, partially offset by a decrease in prepayment income.

Expenses

Total operating expenses for the three months ended March 31, 2018 and 2017 were \$22.6 million and \$14.5 million, respectively, comprised of \$9.6 million and \$7.8 million in interest expense and related fees, \$5.7 million and \$4.9 million in base management and advisory fees, \$5.4 million and \$0.0 million in incentive fee expense, \$0.6 million and \$0.6 million in administrative expenses, \$0.4 million and \$0.3 million in legal and professional fees, and \$0.9 million and \$0.9 million in other expenses, respectively. The increase in expenses in the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily reflects the inclusion of incentive fees within operating expenses during the three months ended March 31, 2018 instead of being reflected as an allocation and distribution to the General Partner during the three months ended March 31, 2017. The increase in expenses also includes higher interest expense and other costs related to the increase in outstanding debt, as well as the higher average interest rate following the issuance of the 2022 Convertible Notes and 2022 Notes and the increase in LIBOR rates during the period as well as the increase in management fees due to the increase in assets in the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

Net investment income

Net investment income was \$21.6 million and \$24.9 million, respectively, for the three months ended March 31, 2018 and 2017. The decrease in net investment income in the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily reflects the increase in expenses (primarily due to the inclusion of incentive fees beginning January 1, 2018), partially offset by the increase in investment income in the three months ended March 31, 2018.

Net realized and unrealized gain or loss

Net realized losses for the three months ended March 31, 2018 and 2017 were \$0.6 million and \$5.1 million, respectively. Net realized losses during the three months ended March 31, 2017 were comprised primarily of a \$3.5 million loss realization on the restructuring of our loan to Avanti Communications Group and a \$1.5 million loss on the disposition of our investment in Integra Telecom Holdings. Substantially all of the losses had been recognized on an unrealized basis in prior periods.

For the three months ended March 31, 2018 and 2017, the change in net unrealized appreciation/depreciation was \$6.3 million and \$4.6 million, respectively. The change in net unrealized appreciation/depreciation for the three months ended March 31, 2018 was comprised primarily of unrealized gains of \$1.9 million on our investment in NEG Parent (CORE Entertainment), as well as various market gains resulting from generally tighter spreads. The change in net unrealized appreciation/depreciation for the three months ended March 31, 2017 was comprised primarily of the reversal of previously recognized unrealized losses as well as various market gains resulting from generally tighter spreads, partially offset by a \$2.0 million markdown of Real Mex.

Income tax expense, including excise tax

The Holding Company has elected to be treated as a RIC under Subchapter M of the Internal Revenue Code (the "Code") and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a

63

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 excise tax expense recorded for the three months ended March 31, 2018 and 2017.

Incentive compensation

Beginning January 1, 2018, incentive compensation is paid to the Advisor as a fee and included in operating expenses in the Statement of Operations rather than as an allocation and distribution to the General Partner within the Statement of Operations. Incentive compensation included in operating expenses for the three months ended March 31, 2018 and as an allocation and distribution to the General Partner for the three months ended March 31, 2018 and 2017 was \$5.4 million and \$5.0 million, respectively. Incentive compensation for the three months ended March 31, 2018 and 2017 was paid 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 \$27.2 million and \$19.4 million for the three months ended March 31, 2018 and 2017, respectively. The higher net increase in net assets applicable to common shareholders resulting from operations during the three months ended March 31, 2018 is primarily due to the larger net realized and unrealized gain and higher investment income during the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

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 connection with the Company's dividend reinvestment plan for the three months ended March 31, 2018:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	192	\$14.18*	\$ 2,723

*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, 2017:

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

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	643	\$ 16.46*	\$ 10,585
April 25, 2017 public offering	5,750,000	16.84	93,597,500
At-the-market offerings	54,713	15.78	*863,398

*Weighted-average price per share.

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

On February 24, 2015, the Company’s board of directors approved a stock repurchase plan (the “Company Repurchase Plan”) to acquire up to \$50.0 million in the aggregate of the Company’s common stock at prices at certain thresholds below the Company’s net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is 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 2, 2018, to be in effect through the earlier of two trading days after our second quarter 2018 earnings release, unless further extended or terminated by our board of directors, or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions. The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the three months ended March 31, 2018:

	Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan	11,300	\$14.21*	\$160,615

*Weighted-average price per share

Total leverage outstanding and available under the combined Leverage Program at March 31, 2018 were as follows:

	Maturity	Rate	Carrying Value*	Available	Total Capacity
SVCP 2022 Facility	2022	L+2.25%	\$56,995,000	\$43,005,000	\$100,000,000
2019 Convertible Notes (\$108 million par)	2019	5.25%	107,131,572	—	107,131,572
2022 Convertible Notes (\$140 million par)	2022	4.625%	137,546,442	—	137,546,442
2022 Notes (\$175 million par)	2022	4.125%	174,436,660	—	174,436,660
TCPC Funding Facility	2021	L+2.50% [†]	203,000,000	147,000,000	350,000,000
SBA Debentures	2024–2028	2.63% [‡]	98,000,000	52,000,000	150,000,000
Total leverage			777,109,674	\$242,005,000	\$1,019,114,674
Unamortized issuance costs			(8,454,219)		
Debt, net of unamortized issuance costs			\$768,655,455		

* Except for the convertible notes and 2022 Notes, all carrying values are the same as the principal amounts outstanding.

Or L+2.25% subject to certain funding requirements

Weighted-average interest rate on pooled loans, excluding fees of 0.36% or 0.35%. As of March 31, 2018, \$15.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary weighted-average rate of 2.72% plus fees of 0.35% through September 19, 2018, 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 three months ended March 31, 2018 was \$92.6 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of \$95.4 million, partially offset by net investment income (net of non-cash income and expenses) of approximately \$2.8 million.

Net cash provided by financing activities was \$19.7 million during the three months ended March 31, 2018, consisting primarily of \$43.0 million of net borrowings of debt, reduced by the \$21.2 million in regular dividends paid on common equity and payment of \$1.9 million in debt issuance costs and \$0.2 million in repurchases of common shares.

At March 31, 2018, we had \$13.7 million in cash and cash equivalents.

The SVCP 2022 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 2022 Facility and the TCPC Funding Facility, and may therefore impact our ability to borrow under the SVCP 2022 Facility and the TCPC Funding Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At March 31, 2018, 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 2022 Facility, the 2019 Convertible Notes, the 2022 Convertible Notes, the 2022 Notes and the TCPC Funding Facility mature in February 2022, December 2019, March 2022, August 2022 and April 2021, respectively. Any inability to renew, extend or replace the Leverage Program could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

Challenges in the market are intensified for us by certain regulatory limitations under the Code and the 1940 Act. To maintain our qualification as a RIC, we must satisfy, among other requirements, an annual distribution requirement to

pay out at least 90% of our ordinary income and short-term capital gains to our stockholders. Because we are required to distribute our income in this manner, and because the illiquidity of many of our investments may make it difficult for us to finance new investments through the sale of current investments, our

66

ability to make new investments is highly dependent upon external financing. While we anticipate being able to continue to satisfy all covenants and repay the outstanding balances under the Leverage Program when due, there can be no assurance that we will be able to do so, which could lead to an event of default.

Contractual obligations

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

Distributions

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

The following tables summarize dividends declared for the three months ended March 31, 2018 and 2017:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 27, 2018	March 16, 2018	March 30, 2018	Regular	\$ 0.36	\$21,184,004

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 28, 2017	March 17, 2017	March 31, 2017	Regular	\$ 0.36	\$19,095,084

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the three months ended March 31, 2018 and 2017:

	2018	2017
Shares Issued	192	147
Average Price Per Share	\$14.18	\$17.44
Proceeds	\$2,723	\$2,564

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

98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;

98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year; and

certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

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

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

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

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

Related Parties

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

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

The Administrator provides us with administrative services necessary to conduct our day-to-day operations. For providing these services, facilities and personnel, the Administrator may be reimbursed by us for expenses incurred by the Administrator in performing its obligations under the administration agreement,

68

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

On April 17, 2018, the Advisor entered into a definitive agreement with BlackRock, Inc. ("BlackRock"), pursuant to which the Advisor will be merged with and into a wholly-owned subsidiary of BlackRock Capital Investment Advisors, LLC, an indirect wholly-owned subsidiary of BlackRock (the "Transaction"), with the Advisor being the surviving entity after the merger. The closing of the Transaction would result in an assignment for purposes of the Investment Company Act of 1940 of the investment management agreement between the Company and the Advisor and the investment management agreement between Operating Company and the Advisor and, as a result, the immediate termination of such agreements. The consummation of the Transaction is subject to certain terms and conditions, including, among others, (i) the approval of a new investment management agreement between the Company and the Advisor by the stockholders of the Company and (ii) the approval of a new investment management agreement between the Operating Company and the Advisor by the limited partners of the Operating Company. The closing of the Transaction is expected to occur in the third quarter of 2018.

From April 1, 2018 through May 8, 2018, the Operating Company has invested approximately \$56.9 million primarily in three senior secured loans with a combined effective yield of approximately 11.5%.

On May 2, 2018, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's second quarter 2018 earnings release or such time as the approved \$50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On May 9, 2018, the Company's board of directors declared a second quarter regular dividend of \$0.36 per share payable on June 29, 2018 to stockholders of record as of the close of business on June 15, 2018.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. At March 31, 2018, 87.6% of debt investments in our portfolio bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At March 31, 2018, the percentage of floating rate debt investments in our portfolio that bore interest based on an interest rate floor was 78.4%. 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 March 31, 2018 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 and the fact that our assets and liabilities may not have the same base rate period as assumed in this table) assuming no changes in our investment and borrowing structure:

Basis Point Change	Interest income	Interest Expense	Net Investment Income
Up 300 basis points	\$43,044,720	\$(10,739,850)	\$32,304,870
Up 200 basis points	28,696,480	(7,159,900)	21,536,580
Up 100 basis points	14,348,240	(3,579,950)	10,768,290
Down 100 basis points	(14,264,932)	3,579,950	(10,684,982)
Down 200 basis points	(20,406,232)	7,159,900	(13,246,332)
Down 300 basis points	(21,002,277)	7,802,859	(13,199,418)

Item 4. Controls and Procedures

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

71

PART II - Other Information

Item 1. Legal Proceedings

Although we may, from time to time, be involved in litigation arising out of our operations in the normal course of business or otherwise, as of March 31, 2018, we are currently not a party to any pending material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our most recent annual report on Form 10-K, as filed with the Securities and Exchange Commission on February 27, 2018.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4: Mine Safety Disclosures.

None.

Item 5: Other Information.

None.

72

Item 6. Exhibits

Number Description

3.1 Articles of Incorporation of the Registrant (1)

3.2 Bylaws of the Registrant (2)

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

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

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

* Filed herewith.

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

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

SIGNATURES

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

TCP CAPITAL CORP.

Date: May 9, 2018

By: /s/ Howard M. Levkowitz

Name: Howard M. Levkowitz

Title: Chief Executive Officer

Date: May 9, 2018

By: /s/ Paul L. Davis

Name: Paul L. Davis

Title: Chief Financial Officer