TCP Capital Corp.
Form 497
August 12, 2016
TABLE OF CONTENTS

**Filed pursuant to Rule 497(e)**
**File No. 333-204571**

**PROSPECTUS SUPPLEMENT**
(To Prospectus dated May 6, 2016)

**Up to $100,000,000**

**Common Stock**

We are a holding company (the Holding Company ) with no direct operations of our own, and currently our only business and sole asset is our ownership of all of the common limited partner interests in Special Value Continuation Partners, LP (the Operating Company ), which represents approximately 100% of the common equity and 100% of the combined common equity and general partner interests in the Operating Company as of June 30, 2016. We and the Operating Company are externally managed, closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the Investment Company Act of 1940 (the 1940 Act ). Our and the Operating Company s investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. Both we and the Operating Company seek to achieve this investment objective primarily through investments in debt securities of middle-market companies as well as small businesses. Our primary investment focus is investing in and originating leveraged loans to performing middle-market companies as well as small businesses.

Tennenbaum Capital Partners, LLC (the Advisor ) serves as our and the Operating Company s investment advisor. Our Advisor is a leading investment manager and specialty lender to middle-market companies that had in excess of $6.1 billion in capital commitments from investors ( committed capital ) under management as of June 30, 2016, approximately 24.6% of which consists of our committed capital. SVOF/MM, LLC, an affiliate of our Advisor, is the Operating Company s general partner and provides the administrative services necessary for us to operate.

We have entered into an equity distribution agreement, dated as of August 12, 2016, with Raymond James & Associates, Inc. (the Agent ) under which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to $100,000,000 through the Agent, as our agent.

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

From time to time during the term of the equity distribution agreement, we may deliver a placement notice to the Agent specifying the length of the selling period, the amount of shares to be sold and the minimum price below which sales may not be made. Upon the Agent’s acceptance of the terms of a placement notice from us, the Agent will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase our common stock under the terms and subject to the conditions set forth in the equity distribution agreement. The Agent is not required to sell any specific number or dollar amount of common stock. Shares of our common stock to which this prospectus supplement relates will be sold only through the Agent on any given day. The offering of shares of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares having an aggregate offering price of $100,000,000 or (2) the termination of the equity distribution agreement so that the Agent no longer remains subject thereto. We may also sell our common stock to the Agent as principal for its own account at prices agreed upon at the time of sale. We will pay the Agent a commission for its services in acting as sales agent and/or principal in the sale of shares. The Agent will be entitled to compensation that will not exceed, but may be up to, 2.0% of the gross sales price of all shares sold through it under the equity distribution agreement. See Plan of Distribution on page S-32 of this prospectus supplement.

Our common stock is traded on the NASDAQ Global Select Market under the symbol TCPC. The last reported closing price for our common stock on August 10, 2016 was $16.09 per share. The offering price per share of our common stock sold in this offering less the Agent s commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering.

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

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read it carefully before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the SEC ). A Statement of Additional Information, dated August 12, 2016, containing additional information about the Holding Company and the Operating Company has been filed with the SEC and is incorporated by reference in its entirety into this prospectus supplement. We maintain a website at http://www.tcpcapital.com and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through this website. You may also obtain free copies of our annual and quarterly reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page S-35 of this prospectus supplement and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. The SEC maintains a website at http://www.sec.gov where such information is available without charge upon request. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

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

**Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in the offerings. Investing in our common stock involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any of our common stock, you should read the discussion of the material risks of investing in our common stock in Risks beginning on page S-8 of this prospectus supplement and on page 20 of the accompanying prospectus.**

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

**Raymond James**

Prospectus Supplement dated August 12, 2016

TABLE OF CONTENTS

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the Statement of Additional Information, dated August 12, 2016, or SAI, incorporated by reference in its entirety in the accompanying prospectus, and the documents incorporated by reference herein or therein. We have not, and the Agent has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Agent is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and of the accompanying prospectus, respectively, and the information in the SAI and the documents incorporated by reference herein or in the accompanying prospectus or the SAI is accurate only as of their respective dates. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus supplement, the accompanying prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

**TABLE OF CONTENTS**

## PROSPECTUS SUPPLEMENT


| | |
|---|---|
| Special Note Regarding Forward-Looking Statements | S-i |
| Prospectus Summary | S-1 |
| Fees and Expenses | S-4 |
| Selected Financial Data | S-6 |
| Risks | S-8 |
| Management's Discussion and Analysis of Financial Condition and Results of Operations | S-10 |
| Quantitative and Qualitative Disclosure About Market Risk | S-25 |
| Use of Proceeds | S-26 |
| Price Range of Common Stock | S-27 |
| Capitalization | S-28 |
| Senior Securities | S-29 |
| Supplement to U.S. Federal Income Tax Matters | S-31 |
| Plan of Distribution | S-32 |
| Legal Matters | S-34 |
| Additional Information | S-34 |
| Table of Contents of Statement of Additional Information | S-35 |
| Index to Financial Statements | S-F-1 |


## PROSPECTUS


| | |
|---|---|
| About this Prospectus | ii |
| Prospectus Summary | 1 |
| Fees and Expenses | 16 |
| Selected Financial Data | 18 |
| Risks | 20 |
| Special Note Regarding Forward-Looking Statements | 52 |
| Use of Proceeds | 53 |
| Senior Securities | 54 |
| Price Range of Common Stock | 55 |
| Ratio of Earnings to Fixed Charges | 56 |
| The Company | 57 |
| Management's Discussion and Analysis of Financial Condition and Results of Operations | 68 |
| Quantitative and Qualitative Disclosure About Market Risk | 83 |
| Investment Portfolio | 84 |
| Management of the Company | 94 |
| Sales of Common Stock Below Net Asset Value | 105 |

| | |
|---|---|
| Description of Our Capital Stock | 111 |
| Description of Our Preferred Stock | 119 |
| Description of Our Debt Securities | 120 |
| Description of Our Subscription Rights | 133 |
| Description of Our Warrants | 134 |
| U.S. Federal Income Tax Matters | 135 |
| Plan of Distribution | 142 |
| Custodian | 144 |
| Transfer Agent | 144 |
| Legal Matters | 144 |
| Independent Registered Public Accounting Firm | 144 |
| Additional Information | 145 |
| Privacy Principles | 145 |
| Table of Contents of Statement of Additional Information | 146 |
| Index to Financial Statements | F-1 |

TABLE OF CONTENTS

## PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement. This summary is not complete and may not contain all of the information that you may want to consider before investing in our common stock. You should read the entire prospectus supplement, the accompanying prospectus, including Risks, and the Statement of Additional Information, dated August 12, 2016 (the SAI ).

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

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

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

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

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

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

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

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

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

### The Company

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

Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between $100 million and $1.5 billion. While we primarily focus on privately negotiated investments in debt of middle-market companies, we make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination

TABLE OF CONTENTS

of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns. See the accompanying prospectus Prospectus Summary—Company History and BDC Conversion.

As described in the accompanying prospectus under Prospectus Summary—Company History and BDC Conversion, we have no employees of our own and currently our only business and sole asset is the ownership of all of the common limited partner interests of the Operating Company. Our investment activities are externally managed by our Advisor, a leading investment manager with in excess of $6.1 billion in capital commitments from investors ( committed capital ) under management, approximately 24.6% of which consists of the Holding Company s committed capital under management as of June 30, 2016, and a primary focus on providing financing to middle-market companies as well as small businesses. Additionally, the Holding Company expects that it will continue to seek to qualify as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code, or the Code.

On April 22, 2014, TCPC SBIC, a wholly-owned subsidiary of the Operating Company, received a Small Business Investment Company ( SBIC ) license from the Small Business Administration ( SBA ). Pursuant to an exemptive order under the 1940 Act, we have been granted exemptive relief from the SEC to permit us to exclude the debt of TCPC SBIC guaranteed by the SBA from our 200% asset coverage test under the 1940 Act. Pursuant to the 200% asset coverage ratio limitation, we are permitted to borrow one dollar for every dollar we have in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us. For example, as of June 30, 2016, we had approximately $1,268.0 million in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us, which would permit us to borrow up to approximately $1,268.0 million, notwithstanding other limitations on our borrowings pursuant to our Leverage Program.

The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting us to borrow up to $150 million more than we would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, will be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we can have more debt outstanding than assets to cover such debt. For example, we will be able to borrow up to $150 million more than the approximately $1,268.0 million permitted under the 200% asset coverage ratio limit as of June 30, 2016. For additional information on SBA regulations that affect our access to SBA-guaranteed debentures, see the accompanying prospectus Risk Factors — Risks Relating to Our Business — TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

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

**Investment Portfolio**

At June 30, 2016, our investment portfolio of $1,231.5 million (at fair value) consisted of 89 portfolio companies and was invested 95.5% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 79.8% in senior secured loans, 15.7% in senior secured notes, and 4.5% in equity investments. Our average portfolio company investment at fair value was approximately $13.8 million. Our largest portfolio company investment by value was approximately $45.4 million and our five largest portfolio company investments by value comprised approximately 15.3% of our portfolio at June 30, 2016. See the accompanying prospectus under Prospectus Summary—Investment Strategy for more information.

TABLE OF CONTENTS

**Recent Developments**

From July 1, 2016 through August 5, 2016, the Operating Company has invested approximately $26.9 million primarily in five senior secured loans and notes, as well as equity interests in a portfolio of lease assets with a combined effective yield of approximately 9.7%.

On July 13, 2016, we completed a registered direct public offering of 2,336,552 shares of our common stock at a price of $15.09 per share for total gross proceeds of $35.3 million. We incurred no placement agent, underwriting or other similar fees in connection with the transaction. The Adviser paid certain fees to facilitate the transaction, for which it is not seeking reimbursement from the Company.

On August 3, 2016, our board of directors re-approved the Company Repurchase Plan (as defined below), to be in effect through the earlier of two trading days after our third quarter 2016 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On August 9, 2016, our board of directors declared a third quarter regular dividend of $0.36 per share payable on September 30, 2016 to stockholders of record as of the close of business on September 16, 2016.

**Determinations of Net Asset Value In Connection with the Offering**

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

**Company Information**

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

**Presentation of Historical Financial Information**

Unless otherwise indicated, historical references contained in this prospectus supplement and the accompanying prospectus, as applicable, in — Selected Financial Data, Capitalization, Management s Discussion and Analysis of

Financial Condition and Results of Operations, Senior Securities and Portfolio Companies relate to the Holding Company and the Operating Company on a consolidated basis.

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

TABLE OF CONTENTS

## FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in our common stock will bear directly or indirectly. The expenses shown in the table under Annual Expenses (excluding incentive compensation payable under the investment management agreement) are based on the assumed sale of shares of our common stock having an aggregate offering price of $100,000,000, and a maximum sales load of 2.00%, pursuant to the equity distribution agreements. **The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown.** The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months. Further, the fees and expenses below are presented on a consolidated basis directly or indirectly to include expenses of the Company and the Operating Company that investors in our common stock will bear.

| | |
|---|---|
| **Stockholder Transaction Expenses:** | |
| **Sales Load (as a percentage of offering price)** | 2.00 %[(1)] |
| Offering Expenses (as a percentage of offering price) | 0.30 %[(2)] |
| Dividend Reinvestment Plan Fees | — [(3)] |
| **Total Stockholder Transaction Expenses (as a percentage of offering price)** | 2.30 % |
| **Annual Expenses (as a Percentage of Consolidated Net Assets Attributable to Common Stock)[(4)]:** | |
| Base Management Fees | 2.66 %[(5)] |
| Incentive Compensation Payable Under the Investment Management Agreement (20% of ordinary income and capital gains) | 2.42 %[(6)] |
| Interest Payments on Borrowed Funds | 3.06 %[(7)] |
| Other Expenses (estimated) | 0.96 %[(8)] |
| **Total Annual Expenses** | 9.10 % |

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

(2) Amount reflects estimated offering expenses of approximately $300,000.

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

(4) The consolidated net assets attributable to common stock used to calculate the percentages in this table is our average consolidated net assets attributable to common stock of $731.6 million for the 12 month period ending June 30, 2016.

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

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

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

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

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

TABLE OF CONTENTS

incentive compensation previously paid or distributed. For assets held on January 1, 2013, capital gain, loss and depreciation are measured on an asset by asset basis against the value thereof as of December 31, 2012. The capital gains component is paid or distributed in full prior to payment or distribution of the ordinary income component.

(7) Interest Payments on Borrowed Funds represents interest and fees estimated to be accrued on the Term Loan, SVCP Revolver (defined below) and TCPC Funding Facility (defined below) and amortization of debt issuance costs, and assumes the SVCP Revolver and TCPC Funding Facility are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued (i) under the Term Loan is the rate in effect as of June 30, 2016, which was 2.38%, (ii) under the SVCP Revolver is the rate in effect as of June 30, 2016, which was 2.21% and (iii) under the TCPC Funding Facility is the rate in effect as of June 30, 2016, which was 3.12%. Interest Payments on Borrowed Funds additionally represents interest and fees estimated to be accrued on our $108.0 million in aggregate principal amount of our 5.25% convertible senior unsecured notes due 2019 (the 2019 Notes ), which bear interest at an annual rate of 5.25%, payable semi-annually, and are convertible into shares of our common stock under certain circumstances and our $75.0 million of committed leverage from the SBA, which SBA debentures, once drawn, bear an interim interest rate of LIBOR plus 30 basis points, are non-recourse and may be prepaid at any time without penalty, and assumes that the committed leverage from the SBA is fully drawn. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(8) Other Expenses includes our estimated overhead expenses, including expenses of our Advisor reimbursable under the investment management agreements and of the Administrator reimbursable under the administration agreement except for certain administration overhead costs which are not currently contemplated to be charged to us. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the twelve month period ended June 30, 2016.

**Example**

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

| | 1 year | 3 years | 5 years | 10 years |
|---|---|---|---|---|
| You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net investment income[(1)] | $ 88 | $ 214 | $ 336 | $ 623 |
| You would pay the following expenses on a $1,000 investment, assuming a 5% annual return resulting entirely from net realized capital gains[(2)] | $ 88 | $ 214 | $ 336 | $ 623 |

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

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

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

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

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

TABLE OF CONTENTS

## SELECTED FINANCIAL DATA

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

The selected consolidated financial data below for the year ended December 31, 2015 has been derived from our consolidated financial statements that were audited by Deloitte & Touche LLP, our independent registered public accounting firm. The selected consolidated financial data below for the years ended December 31, 2014, 2013, 2012 and 2011 has been derived from our consolidated financial statements that were audited by Ernst & Young LLP, our former independent registered public accounting firm. The selected consolidated financial data at and for the three and six months ended June 30, 2016 and 2015 have been derived from unaudited financial data, but in the opinion of our management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results at and for the three and six months ended June 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. This selected financial data should be read in conjunction with our financial statements and related notes thereto, Management s Discussion and Analysis of Financial Condition and Results of Operations and Senior Securities included elsewhere in this prospectus supplement.

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

| For the Three Months Ended June 30, | | For the Six Months Ended June 30, | | | For the Year Ended December 31, | | | |
|---|---|---|---|---|---|---|---|---|
| 2016 | 2015 | 2016 | 2015 | 2015 | 2014 | 2013 | 2012 | |
| $ 34,763,099 | $ 37,484,872 | $ 67,637,622 | $ 69,041,124 | $ 142,012,553 | $ 100,923,265 | $ 66,979,064 | $ 49,243,332 | $ |
| — | — | — | — | — | 1,968,748 | — | 1,811,189 | |
| 649,785 | 331,336 | 1,425,856 | 623,042 | 1,352,797 | 1,334,330 | 1,121,614 | 823,030 | |
| 182,287 | 1,121,612 | 1,120,975 | 2,089,007 | 3,502,875 | 2,355,105 | 1,508,368 | 315,208 | |
| 35,595,171 | 38,937,820 | 70,184,453 | 71,753,173 | 146,868,225 | 106,581,448 | 69,609,046 | 52,192,759 | |
| 5,833,727 | 4,316,021 | 11,379,008 | 8,420,639 | 18,895,977 | 9,821,751 | 2,339,447 | 857,757 | |
| 4,656,418 | 4,618,214 | 9,160,502 | 8,977,412 | 18,593,660 | 13,646,064 | 8,820,229 | 6,908,942 | |
| 1,971,302 | 2,734,250 | 3,640,839 | 4,145,306 | 7,999,070 | 5,012,257 | 3,141,484 | 2,625,722 | |
| 12,461,447 | 11,668,485 | 24,180,349 | 21,543,357 | 45,488,707 | 28,480,072 | 14,301,160 | 10,392,421 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 23,133,724 | 27,269,335 | 46,004,104 | 50,209,816 | 101,379,518 | 78,101,376 | 55,307,886 | 41,800,338 | |
| — | — | — | — | 876,706 | 808,813 | 977,624 | 1,479,978 | |
| 23,133,724 | 27,269,335 | 46,004,104 | 50,209,816 | 100,502,812 | 77,292,563 | 54,330,262 | 40,320,360 | |
| 2,675,361 | (2,214,992) | (4,147,892) | (1,779,437) | (22,405,111) | (27,304,578) | 9,071,361 | (12,784,251) | |
| — | 1,675,000 | — | 1,675,000 | 1,675,000 | — | — | — | |
| — | (403,907) | — | (691,846) | (754,140) | (1,438,172) | (1,494,552) | (1,602,799) | |
| (4,626,745) | (5,383,887) | (9,200,821) | (9,903,596) | (19,949,734) | (14,002,294) | (12,381,416) | — | |
| $ 21,182,340 | $ 20,941,549 | $ 32,655,391 | $ 39,509,937 | $ 59,068,827 | $ 34,547,519 | $ 49,525,655 | $ 25,933,310 | $ |
| $ 0.43 | $ 0.43 | $ 0.67 | $ 0.81 | $ 1.21 | $ 0.88 | $ 1.91 | $ 1.21 | $ |
| (0.36) | (0.36) | (0.72) | (0.72) | (1.44) | (1.54) | (1.53) | (1.43) | |
| 49,224,367 | 48,903,081 | 48,985,444 | 48,807,788 | 48,863,188 | 39,395,671 | 25,926,493 | 21,475,847 | |

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

TABLE OF CONTENTS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ,407 | $ 1,211,975,049 | $ 1,231,501,407 | $ 1,211,975,049 | $ 1,182,919,725 | $ 1,146,535,886 | $ 766,262,959 | $ 517 |
| 0,621 | 68,904,822 | 84,110,621 | 68,904,822 | 60,398,076 | 59,330,911 | 37,066,243 | 31 |
| 2,028 | 1,280,879,871 | 1,315,612,028 | 1,280,879,871 | 1,243,317,801 | 1,205,866,797 | 803,329,202 | 549 |
| ,216 | 416,900,159 | 516,661,216 | 416,900,159 | 502,410,321 | 328,696,830 | 95,000,000 | 74 |
| 9,715 | 23,653,373 | 51,759,715 | 23,653,373 | 18,930,463 | 11,543,149 | 23,045,112 | 24 |
| 0,931 | 440,553,532 | 568,420,931 | 440,553,532 | 521,340,784 | 340,239,979 | 118,045,112 | 98 |
| — | 100,898,541 | — | 100,898,541 | — | 134,497,790 | 134,504,252 | 134 |
| — | — | — | — | — | — | 1,168,583 | |
| ,097 | $ 739,427,798 | $ 747,191,097 | $ 739,427,798 | $ 721,977,017 | $ 731,129,028 | $ 549,611,255 | $ 315 |
| 89 | 87 | 89 | 87 | 88 | 84 | 67 | |
| 3,438 | $ 195,948,172 | $ 233,176,219 | $ 302,770,028 | $ 500,928,009 | $ 669,515,626 | $ 471,087,319 | $ 359 |
| 5,675 | $ 189,744,917 | $ 186,045,477 | $ 240,177,662 | $ 456,059,137 | $ 266,008,974 | $ 235,641,665 | $ 211 |
| 11.0 % | 10.9 % | 11.0 % | 10.9 % | 10.9 % | 10.9 % | 10.9 % | |

TABLE OF CONTENTS

## RISKS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and in the accompanying prospectus on page 20, together with all of the other information included in this prospectus supplement and in the accompanying prospectus, before you decide whether to make an investment in our common stock. The risks set forth below and in the accompanying prospectus are not the only risks we face. If any of the adverse events or conditions described below or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value, or NAV, and the trading price of our common stock could decline, we could reduce or eliminate our dividend and you could lose all or part of your investment.

***Our board of directors most recently approved NAV on June 30, 2016 and our NAV when calculated effective September 30, 2016 may be higher or lower.***

Our NAV per share most recently approved by our board of directors is $14.74 as of June 30, 2016. Our NAV per share as of the date of this prospectus supplement may be higher or lower than the NAV per share approved or estimated, as applicable, as of June 30, 2016 and September 30, 2016. Our board of directors has not yet approved the fair value of our portfolio investments at any date subsequent to June 30, 2016. Our board of directors approves the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from an independent valuation firm, our Advisor and the audit committee of our board of directors. At such times as we are selling shares in this offering, a committee of our board, based on the input of our Advisor and in accordance with valuation procedures adopted by the board of directors, will periodically determine our net asset value on an interim basis between quarterly net asset value determinations.

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

The Company has indebtedness pursuant to the Leverage Program and expects, in the future, to borrow additional amounts under the SVCP Facility and TCPC Funding Facility and may increase the size of the SVCP Facility and TCPC Funding Facility or enter into other borrowing arrangements. The Company s portfolio must experience an annual return of 1.92% in order to cover annual interest and dividend payments under the Leverage Program as of June 30, 2016.

*Illustration*. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation is based on our level of leverage at June 30, 2016, which represented borrowings equal to 39.5% of our total assets. On such date, we also had $1,315.6 million in total assets; $1,231.5 million in total investments; an average cost of funds of 3.18%; $520.8 million aggregate principal amount of debt outstanding; and $747.2 million of total net assets. In order to compute the Corresponding Return to Common Stockholders, the Assumed Return on Portfolio (Net of Expenses Other than Interest) is multiplied by the total value of our investment portfolio at June 30, 2016 to obtain an assumed return to us. From this amount, interest expense multiplied the combined rate of interest of 3.18% by the $520.8 million of debt is subtracted to determine the return available to stockholders. The return available to stockholders is then divided by the total value of our net assets at June 30, 2016 to determine the Corresponding Return to Common Stockholders. Actual interest payments may vary.

| **Assumed Return on Portfolio (Net of Expenses Other than Interest)** | **-10%** | **-5%** | **0%** | **5%** | **10%** |
|---|---|---|---|---|---|
| | -19 % | -10 % | -2 % | 6 % | 14 % |

Corresponding Return to Common
Stockholders

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

***The results of the June 2016 referendum on the United Kingdom exiting the European Union, and the United Kingdom s exit from the European Union, could cause an extended period of uncertainty and market volatility in the United States and abroad, which may have material consequences for us.***

On June 23, 2016, the United Kingdom voted to leave the European Union. If, as expected, the United Kingdom triggers the withdrawal procedures in Article 50 of the Treaty of Lisbon, there will be a two-year period (or longer) during which the arrangements for exit will be negotiated. This vote and the withdrawal process could cause an extended period of uncertainty and market volatility, in the United States and abroad. It is not possible to ascertain the precise impact these events may have on us from an economic, financial or regulatory perspective but any such impact could have material consequences for us.

TABLE OF CONTENTS

***There is a risk that you may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital.***

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this prospectus. Due to the asset coverage test applicable to us under the 1940 Act as a BDC, we may be limited in our ability to make distributions. Additionally, a portion of such distributions may include a return of stockholder capital. Distributions in excess of our current and accumulated earnings and profits are considered nontaxable distributions and serve to reduce the basis of our shares in the hands of the common stockholders rather than being currently taxable. If the basis is reduced to zero, any additional distributions in excess of our current and accumulated earnings and profits would be a taxable distribution, currently taxable as capital gain. As a result of the reduction of the basis of our shares, common stockholders may incur additional capital gains taxes or may have lower capital losses.

TABLE OF CONTENTS

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

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

### Overview

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

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

Our leverage program is comprised of $116.0 million in available debt under a senior secured revolving credit facility issued by the Operating Company (the SVCP Revolver ), a $100.5 million term loan issued by the Operating Company (the Term Loan and together with the SVCP Revolver, the SVCP Facility ), $350.0 million in available debt under a senior secured revolving credit facility issued by TCPC Funding (the TCPC Funding Facility ), $108.0 million in convertible senior unsecured notes issued by the Holding Company (the Convertible Notes ) and $75.0 million in committed leverage from the SBA (the SBA Program and, together with the SVCP Facility, the TCPC Funding Facility and the Convertible Notes the Leverage Program ). Prior to the repurchase and retirement of the remaining preferred interests on September 3, 2015, the Leverage Program also included amounts outstanding under a preferred equity facility issued by the Operating Company (the Preferred Interests ).

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

TABLE OF CONTENTS

***Investments***

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

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in qualifying assets, including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than $250.0 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We are also permitted to make certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of June 30, 2016, 81.8% 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 SVOF/MM, LLC (the Administrator ) provides that the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to us under the administration agreement, as well as any costs and expenses incurred by the Administrator or its affiliates relating to any non-investment advisory, administrative or operating services provided by the Administrator or its affiliates to us. We also bear all other costs and expenses of our operations and transactions (and the Holding Company s common stockholders indirectly bear all of the costs and expenses of the Holding Company, the Operating Company, TCPC Funding and the SBIC), which may include those relating to:

- our organization;
- calculating our net asset value (including the cost and expenses of any independent valuation firms);
- interest payable on debt, if any, incurred to finance our investments;
- costs of future offerings of our common stock and other securities, if any;
- the base management fee and any incentive compensation;

- dividends and distributions on our preferred shares, if any, and common shares;
- administration fees payable under the administration agreement;
- fees payable to third parties relating to, or associated with, making investments;
- transfer agent and custodial fees;

- registration fees;
- listing fees;
- taxes;
- director fees and expenses;
- costs of preparing and filing reports or other documents with the SEC;
- costs of any reports, proxy statements or other notices to our stockholders, including printing costs;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;
- indemnification payments;
- direct costs and expenses of administration, including audit and legal costs; and
- all other expenses reasonably incurred by us and the Administrator in connection with administering our business, such as the allocable portion of overhead under the administration agreement, including rent and other allocable portions of the cost of certain of our officers and their respective staffs.

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

Additionally, the investment management agreement and the Amended and Restated Limited Partnership Agreement provide that the Advisor or its affiliates may be entitled to incentive compensation under certain circumstances. According to the terms of such agreements, no incentive compensation was incurred prior to January 1, 2013. Beginning January 1, 2013, the incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013, with each component being subject to a total return requirement of 8% of contributed common equity annually. The incentive compensation is payable to the General Partner by the Operating Company pursuant to the Amended and Restated Limited Partnership Agreement. If the Operating Company is terminated or for any other reason incentive compensation is not paid by the Operating Company, it would be paid pursuant to the investment management agreement between us and the Advisor. The determination of incentive compensation is subject to limitations under the 1940 Act and the Advisers Act.

**Critical accounting policies**

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Management considers the following critical accounting policies important to understanding the financial statements. In addition to the discussion below, our critical accounting policies are further described in the notes to our financial statements.

***Valuation of portfolio investments***

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

TABLE OF CONTENTS

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

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

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

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

When valuing all of our investments, we strive to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing

TABLE OF CONTENTS

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

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

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

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

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

As of June 30, 2016, none of our investments were categorized as Level 1, 6.6% were categorized as Level 2, 93.2% were Level 3 investments valued based on valuations by independent third party sources, and 0.2% were Level 3 investments valued based on valuations by the Advisor.

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

***Revenue recognition***

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

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

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

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

**Portfolio and investment activity**

During the three months ended June 30, 2016, we invested approximately $119.1 million, comprised of new investments in five new and four existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 93.8% were in senior secured debt comprised of senior loans ($88.5 million, or 74.3% of total acquisitions) and senior secured notes ($23.2 million, or 19.5% of total acquisitions). The remaining $7.4 million (6.2% of total acquisitions) were comprised of $7.3 million in

TABLE OF CONTENTS

equity interests in two portfolios of debt and lease assets, as well as $0.1 million in a warrant position received in connection with a debt investment. Additionally, we received approximately $119.9 million in proceeds from sales or repayments of investments during the three months ended June 30, 2016.

During the three months ended June 30, 2015, we invested approximately $196.0 million, comprised of new investments in 7 new and 11 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 99.6% were in senior secured debt, comprised of senior loans ($165.6 million, or 84.5% of total acquisitions) and senior secured notes ($29.6 million, or 15.1% of total acquisitions). The remaining $0.8 million (0.4% of total acquisitions) were equity investments. Additionally, we received approximately $189.7 million in proceeds from sales or repayments of investments during the three months ended June 30, 2015.

During the six months ended June 30, 2016, we invested approximately $233.2 million, comprised of new investments in nine new and six existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 94.3% were in senior secured debt comprised of senior loans ($180.4 million, or 77.3% of total acquisitions) and senior secured notes ($39.6 million, or 17.0% of total acquisitions). The remaining $13.2 million (5.7% of total acquisitions) were comprised of $12.3 million in equity interests in two portfolios of debt and lease assets, as well as $0.9 million in two warrant positions received in connection with debt investments. Additionally, we received approximately $186.0 million in proceeds from sales or repayments of investments during the six months ended June 30, 2016.

During the six months ended June 30, 2015 we invested approximately $302.8 million, comprised of new investments in 9 new and 18 existing portfolio companies, as well as draws made on existing commitments and PIK received on prior investments. Of these investments, 99.7% were in senior secured debt, comprised of senior loans ($262.6 million, or 86.7% of total acquisitions) and senior secured notes ($39.4 million, or 13.0% of total acquisitions). The remaining $0.8 million (0.3% of total acquisitions) were equity investments. Additionally, we received approximately $240.2 million in proceeds from sales or repayments of investments during the six months ended June 30, 2015.

At June 30, 2016, our investment portfolio of $1,231.5 million (at fair value) consisted of 89 portfolio companies and was invested 95.5% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 79.8% in senior secured loans, 15.7% in senior secured notes and 4.5% in equity investments. Our average portfolio company investment at fair value was approximately $13.8 million. Our largest portfolio company investment by value was approximately $45.4 million and our five largest portfolio company investments by value comprised approximately 15.3% of our portfolio at June 30, 2016.

At December 31, 2015, our investment portfolio of $1,182.9 million (at fair value) consisted of 88 portfolio companies and was invested 95.5% in debt investments, of which 99.9% was in senior secured debt and 0.1% in unsecured and subordinated debt. In aggregate, our investment portfolio was invested 81.5% in senior secured loans, 14.0% in senior secured notes, 0.1% in unsecured and subordinated debt, and 4.4% in equity investments. Our average portfolio company investment at fair value was approximately $13.4 million. Our largest portfolio company investment by value was approximately $43.3 million and our five largest portfolio company investments by value comprised approximately 15.7% of our portfolio at December 31, 2015.

The industry composition of our portfolio at fair value at June 30, 2016 was as follows:

| **Industry** | **Percent of Total Investments** | |
|---|---|---|
| Software Publishing | 18.8 | % |

| | | |
|---|---|---|
| Nondepository Credit Intermediation | 6.2 | % |
| Business Support Services | 4.7 | % |
| Other Information Services | 4.5 | % |
| Computer Systems Design and Related Services | 4.5 | % |
| Air Transportation | 4.3 | % |
| Scientific Research and Development Services | 3.2 | % |
| Financial Investment Activities | 3.1 | % |
| Chemicals | 2.9 | % |

TABLE OF CONTENTS

| **Industry** | **Percent of Total Investments** | |
|---|---|---|
| Insurance Related Activities | 2.8 | % |
| Wired Telecommunications Carriers | 2.7 | % |
| Textile Furnishings Mills | 2.5 | % |
| Retail | 2.3 | % |
| Advertising and Public Relations Services | 2.3 | % |
| Data Processing and Hosting Services | 2.3 | % |
| Utility System Construction | 2.0 | % |
| Management, Scientific, and Technical Consulting Services | 1.9 | % |
| Insurance Carriers | 1.9 | % |
| Equipment Leasing | 1.9 | % |
| Apparel Manufacturing | 1.8 | % |
| Electronic Component Manufacturing | 1.8 | % |
| Other Manufacturing | 1.7 | % |
| Radio and Television Broadcasting | 1.6 | % |
| Hospitals | 1.6 | % |
| Lessors of Nonfinancial Licenses | 1.5 | % |
| Other Publishing | 1.5 | % |
| Communications Equipment Manufacturing | 1.4 | % |
| Computer Equipment Manufacturing | 1.3 | % |
| Restaurants | 1.3 | % |
| Other Telecommunications | 1.0 | % |
| Other | 8.7 | % |
| **Total** | **100.0** | **%** |

The weighted average effective yield of the debt securities in our portfolio was 11.00% at June 30, 2016 and 10.95% at December 31, 2015. At June 30, 2016, 79.6% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 20.4% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 70.1% at June 30, 2016. At December 31, 2015, 80.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 19.6% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 77.9% at December 31, 2015.

**Results of operations**

***Investment income***

Investment income totaled $35.6 million and $38.9 million, respectively, for the three months ended June 30, 2016 and 2015, of which $34.8 million and $37.5 million were attributable to interest and fees on our debt investments, $0.6 million and $0.3 million to lease income, and $0.2 million and $1.1 million to other income, respectively. Included in interest and fees on our debt investments were $2.0 million and $4.8 million of non-recurring income related to prepayments for the three months ended June 30, 2016 and 2015, respectively. The decrease in investment income in the three months ended June 30, 2016 compared to the three months ended June 30, 2015 reflects a decrease in interest income due to the lower non-recurring income related to a lower level of prepayments and other income in the three months ended June 30, 2016 compared to the three months ended June 30, 2015, partially offset by an increase in lease income.

Investment income totaled $70.2 million and $71.8 million, respectively, for the six months ended June 30, 2016 and 2015, of which $67.6 million and $69.1 million were attributable to interest and fees on our debt investments, $1.5 million and $0.6 million to lease income and $1.1 million and $2.1 million to other income, respectively. Included in interest and fees on our debt investments were $2.9 million and $5.0 million of non-recurring income related to prepayments for the six months ended June 30, 2016 and 2015, respectively. The decrease in investment income in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 reflects a decrease in interest income due to the lower non-recurring income related to the lower

TABLE OF CONTENTS

level of prepayments and other income in the six months ended June 30, 2016 compared to the six months ended June 30, 2015, partially offset by an increase in lease income.

***Expenses***

Total operating expenses for the three months ended June 30, 2016 and 2015 were $12.5 million and $11.7 million respectively, comprised of $5.8 million and $4.3 million in interest expense and related fees, $4.7 million and $4.6 million in base management fees, $0.7 million and $1.3 million in legal and other professional fees, $0.4 million and $0.4 million in administrative expenses, and $0.9 million and $1.1 million in other expenses, respectively. The increase in expenses in the three months ended June 30, 2016 compared to the three months ended June 30, 2015 primarily reflects higher interest expense due to the conversion of the Preferred Interests to term debt, the increase in LIBOR, and other costs related to the increase in available and outstanding debt.

Total operating expenses for the six months ended June 30, 2016 and 2015 were $24.2 million and $21.5 million, respectively, comprised of $9.2 million and $9.0 million in base management fees, $1.2 million and $1.6 million in legal and professional fees, $11.4 million and $8.4 million in interest expense and related fees, $0.8 million and $0.8 million in administrative expenses, and $1.6 million and $1.7 million in other expenses, respectively. The increase in expenses in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 primarily reflects the increase in interest expense and other costs related to the increase in available and outstanding debt, and the higher average interest rate following the issuance of the Convertible Notes and the increase in LIBOR.

***Net investment income***

Net investment income was $23.1 million and $27.3 million, respectively, for the three months ended June 30, 2016 and 2015. The decrease in net investment income in the three months ended June 30, 2016 compared to the three months ended June 30, 2015 primarily reflects the increase in expenses and the decrease in investment income in the three months ended June 30, 2016.

Net investment income was $46.0 million and $50.2 million, respectively, for the six months ended June 30, 2016 and 2015. The decrease in net investment income in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 primarily reflects the increase in expenses and the decrease in investment income in the six months ended June 30, 2016.

***Net realized and unrealized gain or loss***

Net realized losses for the three months ended June 30, 2016 and 2015 were $0.7 million and $9.3 million, respectively. The net realized loss during the three months ended June 30, 2015 was due primarily to the restructure of our loan to Edmentum, in which we received new debt and equity in a delevered company.

For the three months ended June 30, 2016 and 2015, the change in net unrealized appreciation/depreciation was an increase of $3.4 million and an increase of $7.1 million, respectively. The change in net unrealized appreciation/depreciation for the three months ended June 30, 2016 was comprised primarily of mark-to-market adjustments resulting from narrower market yield spreads during the quarter and a $1.6 million gain on our loan to MD America Energy, LLC which we sold back to the company after quarter end, partially offset by certain net markdowns. The change in net unrealized appreciation/depreciation for the three months ended June 30, 2015 was primarily due to the reversal of the previous unrealized loss on our loan to Edmentum as well as various mark-to-market adjustments during the period.

Net realized losses for the six months ended June 30, 2016 and 2015 were $3.3 million and $9.4 million, respectively. The net realized loss during the six months ended June 30, 2016 was due primarily to the taxable reorganization of our investment in Boomerang Tube, LLC. The net realized loss during the six months ended June 30, 2015 was due primarily to the restructure of our loan to Edmentum, in which we received new debt and equity in a delevered company.

For the six months ended June 30, 2016 and 2015, the change in net unrealized appreciation/depreciation was a decrease of $0.8 million and an increase of $7.7 million, respectively. The increase in net unrealized appreciation/depreciation for the six months ended June 30, 2015 were primarily due to reversals of prior period unrealized depreciation.

TABLE OF CONTENTS

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

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

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at year end as such amounts are known. There was no U.S. federal excise tax recorded during the three and six months ended June 30, 2016 and 2015.

***Gain on repurchase of Series A preferred interests***

Gains on repurchase of Series A preferred interests for the three and six months ended June 30, 2016 and 2015 were $0.0 million and $1.7 million, respectively. The gain on repurchase of Series A preferred interests during the three and six months ended June 30, 2015 was due to the repurchase of 1,675 Preferred Interests on June 30, 2015 at a price of $31.8 million.

***Dividends to preferred equity holders***

Dividends on the Preferred Interests for the three months ended June 30, 2016 and 2015 were $0.0 million and $0.4 million, respectively. Dividends on the Preferred Interests for the six months ended June 30, 2016 and 2015 were $0.0 million and $0.8 million, respectively. The decrease in dividends on Preferred Interests during the three and six months ended June 30, 2016 compared to the three and six months ended June 30, 2015 was due to the repurchase and retirement of all remaining Preferred Interests during 2015.

***Incentive compensation***

Incentive compensation distributable to the General Partner for the three months ended June 30, 2016 and 2015 was $4.6 million and $5.4 million, respectively. Incentive compensation distributable to the General Partner for the six months ended June 30, 2016 and 2015 was $9.2 million and $9.9 million, respectively. Incentive compensation for the three and six months ended June 30, 2016 and 2015 was distributable due to our performance exceeding the total return threshold. The change in reserve for incentive compensation to the General Partner for the three and six months ended June 30, 2016 and 2015 was $0.0 million and $0.0 million, respectively. The change in reserve for incentive compensation for the three and six months ended June 30, 2016 and 2015 represents the change in the amount in excess of distributable incentive compensation which would have been earned by the General Partner had we liquidated at net asset value at June 30, 2016 and 2015, respectively.

***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 $21.2 million and $20.9 million for the three months ended June 30, 2016 and 2015, respectively. The higher net increase in net assets applicable to common shareholders resulting from operations during the three months ended June 30, 2016 is primarily due to the net realized and unrealized gains during the three months ended June 30, 2016 compared to the net realized and unrealized losses during the three months ended June 30, 2015, partially offset by lower net investment income during the three months ended June 30, 2016 compared to the three months June 30, 2015. The net increase in net assets applicable to common shareholders resulting from operations was $32.7 million and $39.5 million for the six months ended June 30, 2016 and 2015, respectively. The lower net increase in net assets applicable to common shareholders resulting from operations during the six months ended June 30, 2016 is primarily due to the higher net realized and unrealized losses and lower net investment income in the six months ended June 30, 2016 compared to the six months ended June 30, 2015.

**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

TABLE OF CONTENTS

common stock, amounts outstanding under our Leverage Program, and cash flows from operations, including investments sales and repayments and income earned from investments and cash equivalents. The primary uses of cash have been investments in portfolio companies, cash distributions to our equity holders, payments to service our Leverage Program and other general corporate purposes.

The following table summarizes the total shares issued and proceeds received in offerings of the Company s common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company s dividend reinvestment plan for the six months ended June 30, 2016.

| | Shares Issued | Price Per Share | | Net Proceeds |
|---|---|---|---|---|
| Shares issued from dividend reinvestment plan | 311 | $ 15.08 | * | $ 4,691 |
| Shares issued from conversion of convertible debt† | 2,011,900 | 15.02 | | — |

* Weighted-average price per share.

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

The following table summarizes the total shares issued and proceeds received in offerings of the Company s common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company s dividend reinvestment plan for the year ended December 31, 2015.

| | Shares Issued | Price Per Share | | Net Proceeds |
|---|---|---|---|---|
| At-the-market offerings | 248,614 | $ 15.87 | * | $ 3,946,066 |
| Shares issued from dividend reinvestment plan | 555 | 14.62 | * | 8,116 |

* Weighted-average price per share.

On October 3, 2014, we entered into an at-the-market equity offering program (the ATM Program ) with Raymond James & Associates Inc. and Cantor Fitzgerald & Co. through which we were able to 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. From October 3, 2014 through May 4, 2015, we sold 648,869 shares of our common stock at an average price of $15.98 per share under the Prior ATM Program, raising $10,366,492 in net proceeds.

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 4, 2016, and, unless further extended or terminated by our board of directors, we expect that the Company Repurchase Plan will be in effect through the earlier of two trading days after our second quarter

TABLE OF CONTENTS

2016 earnings release 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 six months ended June 30, 2016:

| | Shares Repurchased | Price Per Share | Total Cost |
|---|---|---|---|
| Company Repurchase Plan | 141,896 | $ 13.25 * | $ 1,879,548 |

* Weighted-average price per share

Total leverage outstanding and available under the combined Leverage Program at June 30, 2016 were as follows:

| | Maturity | Rate | Carrying Value* | Available | Total Capacity |
|---|---|---|---|---|---|
| SVCP Facility | | | | | |
| SVCP Revolver | 2018 | L+1.75 %† | $ 78,000,000 | $ 38,000,000 | $ 116,000,000 |
| Term Loan | 2018 | L+1.75 %† | 100,500,000 | — | 100,500,000 |
| Convertible Notes ($108 million par) | 2019 | 5.25 % | 106,326,024 | — | 106,326,024 |
| TCPC Funding Facility | 2020 | L+2.50 %†‡ | 175,000,000 | 175,000,000 | 350,000,000 |
| SBA Debentures | 2024-2026 | 2.81 %§ | 61,000,000 | 14,000,000 | 75,000,000 ** |
| Total leverage | | | 520,826,024 | $ 227,000,000 | $ 747,826,024 |
| Unamortized issuance costs | | | (4,164,808 ) | | |
| Debt, net of unamortized issuance costs | | | $ 516,661,216 | | |

* Except for the Convertible Notes, all carrying values are the same as the principal amounts outstanding.

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

‡ Or L+2.25% subject to certain funding requirements

§ Weighted-average interest rate on pooled loans of $42.8 million, excluding fees of 0.36%. As of June 30, 2016, the remaining $6.2 million and $12.0 million of the outstanding amount were not yet pooled, and bore interest at a temporary rate of 1.20% and 1.10%, respectively, plus fees of 0.36% through September 23, 2016, the date of the next SBA pooling.

** Anticipated total capacity of $150.0 million, subject to approval by the SBA following complete funding of our initial $75.0 million commitment.

On July 13, 2015, we obtained exemptive relief from the SEC to permit us to exclude the debt of our SBA Debentures 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. The SBIC currently has a $75.0 million commitment from the SBA. Once this commitment is fully drawn, the SBIC intends to submit an application to the SBA for an additional $75.0 million commitment.

Net cash used in operating activities during the six months ended June 30, 2016 was $7.4 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of $43.8 million, partially offset by net investment income less incentive allocation (net of non-cash income and expenses) of approximately $36.4 million.

Net cash provided by financing activities was $10.1 million during the six months ended June 30, 2016, consisting primarily of $30.0 million from proceeds from the issuance of the CNO Note (which was subsequently converted to common equity) and $18.2 million of net borrowings reduced by the $35.8 million in regular dividends on common equity, $1.9 million in common shares repurchases, and payment of $0.4 million in debt issuance costs.

At June 30, 2016, we had $38.3 million in cash and cash equivalents.

TABLE OF CONTENTS

The SVCP Facility and the TCPC Funding Facility are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and are subject to compliance with customary affirmative and negative covenants, including the maintenance of a minimum shareholders equity, the maintenance of a ratio of not less than 200% of total assets (less total liabilities other than indebtedness) to total indebtedness, and restrictions on certain payments and issuance of debt. Unfavorable economic conditions may result in a decrease in the value of our investments, which would affect both the asset coverage ratios and the value of the collateral securing the SVCP Facility and the TCPC Funding Facility, and may therefore impact our ability to borrow under the SVCP Facility and the TCPC Funding Facility. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment of debt, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At June 30, 2016, we were in compliance with all financial and operational covenants required by the Leverage Program.

Unfavorable economic conditions, while potentially creating attractive opportunities for us, may decrease liquidity and raise the cost of capital generally, which could limit our ability to renew, extend or replace the Leverage Program on terms as favorable as are currently included therein. If we are unable to renew, extend or replace the Leverage Program upon the various dates of maturity, we expect to have sufficient funds to repay the outstanding balances in full from our net investment income and sales of, and repayments of principal from, our portfolio company investments, as well as from anticipated debt and equity capital raises, among other sources. Unfavorable economic conditions may limit our ability to raise capital or the ability of the companies in which we invest to repay our loans or engage in a liquidity event, such as a sale, recapitalization or initial public offering. The SVCP Facility, the Convertible Notes and the TCPC Funding Facility mature in July 2018, December 2019 and March 2020, respectively. Any inability to renew, extend or replace the Leverage Program could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

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

**Contractual obligations**

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

TABLE OF CONTENTS

**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 six months ended June 30, 2016 and 2015:

| Date Declared | Record Date | Payment Date | Type | Amount Per Share | | Total Amount |
|---|---|---|---|---|---|---|
| February 24, 2016 | March 17, 2016 | March 31, 2016 | Regular | $ | 0.36 | $ 17,530,963 |
| May 10, 2016 | June 16, 2016 | June 30, 2016 | Regular | | 0.36 | 18,254,229 |
| | | | | $ | 0.72 | $ 35,785,192 |

| Date Declared | Record Date | Payment Date | Type | Amount Per Share | | Total Amount |
|---|---|---|---|---|---|---|
| March 10, 2015 | March 19, 2015 | March 31, 2015 | Regular | $ | 0.36 | $ 17,535,826 |
| May 7, 2015 | June 16, 2015 | June 30, 2015 | Regular | | 0.36 | 17,625,370 |
| | | | | $ | 0.72 | $ 35,161,196 |

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the six months ended June 30, 2016 and 2015:

| | 2016 | 2015 |
|---|---|---|
| Shares Issued | 311 | 253 |
| Average Price Per Share | $ 15.08 | $ 15.64 |
| Proceeds | $ 4,691 | $ 3,962 |

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

TABLE OF CONTENTS

favorable RIC tax treatment. In addition, in accordance with U.S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as PIK interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC and may be subject to an excise tax.

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

**Related Parties**

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

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

The Advisor and its affiliates, employees and associates currently do and in the future may manage other funds and accounts. The Advisor and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds or accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and those accounts. In general, the Advisor will allocate investment opportunities pro rata among us and the other funds and accounts (assuming the investment satisfies the objectives of each) based on the amount of committed capital each then has available. The allocation of certain investment opportunities in private placements is subject to independent director approval pursuant to the terms of the co-investment exemptive order applicable to 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.

TABLE OF CONTENTS

**Recent Developments**

From July 1, 2016 through August 5, 2016, the Operating Company has invested approximately $26.9 million primarily in five senior secured loans and notes, as well as equity interests in a portfolio of lease assets with a combined effective yield of approximately 9.7%.

On July 13, 2016, we completed a registered direct public offering of 2,336,552 shares of our common stock at a price of $15.09 per share for total gross proceeds of $35.3 million. We incurred no placement agent, underwriting or other similar fees in connection with the transaction. The Adviser paid certain fees to facilitate the transaction, for which it is not seeking reimbursement from the Company.

On August 3, 2016, our board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after our third quarter 2016 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On August 9, 2016, our board of directors declared a third quarter regular dividend of $0.36 per share payable on September 30, 2016 to stockholders of record as of the close of business on September 16, 2016.

TABLE OF CONTENTS

**QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

We are subject to financial market risks, including changes in interest rates. At June 30, 2016, 79.6% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At June 30, 2016, the percentage of our floating rate debt investments that bore interest based on an interest rate floor was 70.1%. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

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

Based on our June 30, 2016 balance sheet, the following table shows the annual impact on net income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

| Basis Point Change | Interest income | Interest Expense | Net Income |
|---|---|---|---|
| Up 300 basis points | $ 27,138,204 | $ (12,435,000) | $ 14,703,204 |
| Up 200 basis points | 17,433,951 | (8,290,000) | 9,143,951 |
| Up 100 basis points | 7,767,423 | (4,145,000) | 3,622,423 |
| Down 100 basis points | (2,400,582) | 2,700,882 | 300,300 |
| Down 200 basis points | (2,400,582) | 2,700,882 | 300,300 |
| Down 300 basis points | (2,400,582) | 2,700,882 | 300,300 |

TABLE OF CONTENTS

## USE OF PROCEEDS

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings, including sales made directly on the NASDAQ Global Select Market or sales made to or through a market maker other than on an exchange. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus. Actual sales, if any, of our common stock under this prospectus supplement and the accompanying prospectus may be less than as set forth in this paragraph depending on, among other things, the market price of our common stock and the net asset value per share of our common stock at the time of any such sale. As a result, the actual net proceeds we receive may be more or less than the amount of net proceeds estimated in this prospectus supplement. However, the offering price per share of our common stock offered by this prospectus supplement and the accompanying prospectus, less the Agent s commissions and discounts payable by us, will not be less than the net asset value per share of our common stock at the time we sell common stock pursuant to this offering. Assuming the sale of shares of common stock having an aggregate offering price of $100,000,000, pursuant to this prospectus supplement and the accompanying prospectus, we estimate that the net proceeds would be approximately $97.7 million after deducting the estimated Agent s commissions and our estimated offering expenses.

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

As of August 5, 2016, we had $152.5 million outstanding under the SVCP Facility, with advances generally bearing interest at LIBOR plus 2.50% per annum, subject to certain limitations. The SVCP Facility matures July 31, 2018, subject to extension by the lender at our request.

As of August 5, 2016, we had $175.0 million outstanding under the TCPC Funding Facility, with advances generally bearing interest at LIBOR plus either 2.25% or 2.50% per annum, subject to certain limitations. The TCPC Funding Facility matures on March 6, 2020, subject to extension by the lender at our request.

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

TABLE OF CONTENTS

## PRICE RANGE OF COMMON STOCK

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

| | NAV(1) | Stock Price High(2) | Stock Price Low(2) | Premium (Discount) of High Sales Price to NAV(3) | Premium (Discount) of Low Sales Price to NAV(3) | Declared Distributions |
|---|---|---|---|---|---|---|
| **Fiscal year ended December 31, 2014** | | | | | | |
| First Quarter | $ 15.32 | $ 17.97 | $ 16.36 | 17.3 % | 6.8 % | $ 0.36 |
| Second Quarter | $ 15.31 | $ 18.31 | $ 15.80 | 19.6 % | 3.2 % | $ 0.41 (4) |
| Third Quarter | $ 15.43 | $ 18.31 | $ 16.07 | 18.7 % | 4.1 % | $ 0.36 |
| Fourth Quarter | $ 15.01 | $ 17.47 | $ 15.25 | 16.4 % | 1.6 % | $ 0.41 (4) |
| **Fiscal year ended December 31, 2015** | | | | | | |
| First Quarter | $ 15.03 | $ 16.91 | $ 15.22 | 12.5 % | 1.3 % | $ 0.36 |
| Second Quarter | $ 15.10 | $ 16.49 | $ 15.29 | 9.2 % | 1.3 % | $ 0.36 |
| Third Quarter | $ 15.10 | $ 15.87 | $ 13.50 | 5.1 % | (10.6 )% | $ 0.36 |
| Fourth Quarter | $ 14.78 | $ 15.40 | $ 13.80 | 4.2 % | (6.6 )% | $ 0.36 |
| **Fiscal year ended December 31, 2016** | | | | | | |
| First Quarter | $ 14.66 | $ 14.91 | $ 12.36 | 1.7 % | (15.7 )% | $ 0.36 |
| Second Quarter | $ 14.74 | $ 15.28 | $ 14.21 | 3.7 % | (3.6 )% | $ 0.36 |
| Third Quarter (through August 10, 2016) | $ (5) | $ 16.09 | $ 15.35 | %(5) | %(5) | $ 0.36 |

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

(3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.

(4) Includes a special dividend of $0.05 per share.

(5) NAV has not yet been determined.

On August 10, 2016, the closing price of our common stock was $16.09 per share. As of August 10, 2016, we had 29 stockholders of record.

The table below sets forth each class of our outstanding securities as of August 10, 2016.

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

| | | | |
|---|---|---|---|
| Common Stock | 200,000,000 | — | 53,042,901 |

TABLE OF CONTENTS

## CAPITALIZATION

The following table sets forth (1) our actual capitalization at June 30, 2016, and (2) our capitalization on an as adjusted basis giving effect to the assumed sale of 6,215,040 shares of our common stock at the public offering price of $16.09 per share, the last reported closing price of our common stock on August 10, 2016, after deducting the maximum Agent s commissions and estimated offering expenses payable by us and the application of the estimated net proceeds of this offering. You should read this table together with Use of Proceeds in this prospectus supplement and the accompanying prospectus. There is no guarantee that there will be any sales of our common stock pursuant to this prospectus supplement and the accompanying prospectus.

| | As of June 30, 2016 | |
|---|---|---|
| | Actual | As Adjusted |
| **Assets:** | | |
| Cash and cash equivalents | $ 38,313,586 | $ 38,313,586 |
| Investments | 1,231,501,407 | 1,231,501,407 |
| Other assets | 45,797,035 | 45,797,035 |
| Total assets | $ 1,315,612,028 | $ 1,315,612,028 |
| **Liabilities:** | | |
| SVCP Facility(1) | | |
| SVCP Revolver | $ 78,000,000 | $ — |
| Term Loan | 100,500,000 | 100,500,000 |
| 2019 Notes | 106,326,024 | 106,326,024 |
| TCPC Funding Facility(1) | 175,000,000 | 155,300,000 |
| SBA Debentures | 61,000,000 | 61,000,000 |
| Unamortized debt issuance costs | (4,164,808) | (4,164,808) |
| Other liabilities | 51,759,715 | 51,759,715 |
| Total liabilities | $ 568,420,931 | $ 470,720,931 |
| **Stockholders' equity:** | | |
| Common stock, par value $0.001 per share; 200,000,000 shares of common stock authorized; 50,705,049 shares of common stock issued and outstanding, actual; 56,920,089 shares of common stock issued and outstanding, as adjusted | 50,705 | 56,920 |
| Paid-in capital in excess of par value | 906,725,366 | 1,004,419,151 |
| Accumulated net investment income | 23,279,884 | 23,279,884 |
| Accumulated net realized losses | (135,815,320) | (135,815,320) |
| Accumulated net unrealized depreciation | (47,049,538) | (47,049,538) |
| Non-controlling interest | — | — |
| Net assets applicable to common shareholders | $ 747,191,097 | $ 844,891,097 |
| **Total capitalization** | $ 1,315,612,028 | $ 1,315,612,028 |

(1) As of August 5, 2016, our debt outstanding under the SVCP Facility and the TCPC Funding Facility was $152.5 million and $175.0 million, respectively.

TABLE OF CONTENTS

**SENIOR SECURITIES**

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

| Class and Year | Total Amount Outstanding[(4)] | Asset Coverage Per Unit[(5)] | Involuntary Liquidating Preference Per Unit[(6)] | Average Market Value Per Unit[(7)] |
|---|---|---|---|---|
| **SVCP Facility[(1)]** | | | | |
| Fiscal Year 2016 (as of June 30, 2016, unaudited) | $ 178,500 | $ 3,046 | $ — | N/A |
| Fiscal Year 2015 | 124,500 | 3,076 | — | N/A |
| Fiscal Year 2014 | 70,000 | 5,356 | — | N/A |
| Fiscal Year 2013 | 45,000 | 8,176 | — | N/A |
| Fiscal Year 2012 | 74,000 | 7,077 | — | N/A |
| Fiscal Year 2011 | 29,000 | 13,803 | — | N/A |
| Fiscal Year 2010 | 50,000 | 8,958 | — | N/A |
| Fiscal Year 2009 | 75,000 | 5,893 | — | N/A |
| Fiscal Year 2008 | 34,000 | 10,525 | — | N/A |
| Fiscal Year 2007 | 207,000 | 3,534 | — | N/A |
| **Preferred Interests[(2)]** | | | | |
| Fiscal Year 2016 (as of June 30, 2016, unaudited) | N/A | N/A | N/A | N/A |
| Fiscal Year 2015 | N/A | N/A | N/A | N/A |
| Fiscal Year 2014 | $ 134,000 | $ 51,592 | $ 20,074 | N/A |
| Fiscal Year 2013 | 134,000 | 68,125 | 20,075 | N/A |
| Fiscal Year 2012 | 134,000 | 50,475 | 20,079 | N/A |
| Fiscal Year 2011 | 134,000 | 49,251 | 20,070 | N/A |
| Fiscal Year 2010 | 134,000 | 48,770 | 20,056 | N/A |
| Fiscal Year 2009 | 134,000 | 42,350 | 20,055 | N/A |
| Fiscal Year 2008 | 134,000 | 42,343 | 20,175 | N/A |
| Fiscal Year 2007 | 134,000 | 43,443 | 20,289 | N/A |
| **TCPC Funding Facility[(3)]** | | | | |
| Fiscal Year 2016 (as of June 30, 2016, unaudited) | $ 175,000 | $ 3,046 | $ — | N/A |
| Fiscal Year 2015 | 229,000 | 3,076 | — | N/A |
| Fiscal Year 2014 | 125,000 | 5,356 | — | N/A |
| Fiscal Year 2013 | 50,000 | 8,176 | — | N/A |
| **SBA Debentures** | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year 2016 (as of June 30, 2016, unaudited) | $ | 61,000 | $ | 3,046 | $ | — | N/A |
| Fiscal Year 2015 | | 42,800 | | 3,076 | | — | N/A |
| Fiscal Year 2014 | | 28,000 | | 5,356 | | — | N/A |
| **2014 Notes** | | | | | | | |
| Fiscal Year 2016 (as of June 30, 2016, unaudited) | $ | 108,000 | $ | 2,426 | $ | — | N/A |
| Fiscal Year 2015 | | 108,000 | | 2,429 | | — | N/A |
| Fiscal Year 2014 | | 108,000 | | 3,617 | | — | N/A |

(1) The Operating Company entered into the SVCP Facility, comprised of a fully drawn senior secured term loan and a senior secured revolving credit facility, pursuant to which amounts may currently be drawn up to $116.0 million. The SVCP Facility matures July 31, 2018, subject to extension by the lender at our request.

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

(3) TCPC Funding entered into the TCPC Funding Facility, pursuant to which amounts may currently be drawn up to $350 million. The TCPC Funding Facility matures on March 6, 2020, subject to extension by the lender at our request.

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

TABLE OF CONTENTS

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

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

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

TABLE OF CONTENTS

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

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

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

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a large enough portion of such dividend is paid in cash (there is no definitive guidance as to what percentage of the dividend must be in cash) and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes.

TABLE OF CONTENTS

**PLAN OF DISTRIBUTION**

We have entered into an equity distribution agreement, dated as of August 12, 2016 (the Equity Distribution Agreement ), with the Agent under which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to $100,000,000. Sales of our shares, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings, including sales made directly on the NASDAQ Global Select Market ( Nasdaq ) or sales made to or through a market maker other than on an exchange.

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

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

We will pay the Agent a commission for its services in acting as sales agent and/or principal in the sale of shares. The Agent will be entitled to compensation that will not exceed, but may be up to, 2.0% of the gross sales price of all shares sold through it under the Equity Distribution Agreement. We estimate that the total expenses for the at the market offerings, excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement, will be approximately $300,000. In connection with the sale of shares on our behalf, the Agent may be deemed to be an underwriter within the meaning of the Securities Act, and the compensation paid to the Agent may be deemed to be underwriting commissions and discounts.

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

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

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

The at the market offerings of shares pursuant to the Equity Distribution Agreement will terminate upon the earlier of (1) the issuance and sale of shares having an aggregate offering price of $100,000,000 pursuant to the Equity Distribution Agreement and (2) the termination of the Equity Distribution Agreement so that the Agent no longer remains subject thereto. The Equity Distribution Agreement may be terminated by the Agent as to itself or us at any time upon three days notice, and by the Agent as to itself at any time in certain circumstances, including our failure to maintain a listing of our shares on the Nasdaq or the occurrence of a material adverse change in the company.

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

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

**Other Relationships**

The Agent and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment

TABLE OF CONTENTS

research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Some of the Agent and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. The Agent served as an advisor to the Advisor in connection with our registered direct public offering in July 2016 and was paid a customary fee for such services.

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

**Principal Business Address**

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

TABLE OF CONTENTS

**LEGAL MATTERS**

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

**ADDITIONAL INFORMATION**

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

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934. You may obtain free copies of this information, request a free copy of the SAI, the table of contents of which is on page S-35 of this prospectus supplement, and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. You may also inspect and copy these reports, proxy statements and other information, as well as the registration statement of which the accompanying prospectus forms a part and the related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549-0102. In addition, the SEC maintains an Internet website that contains reports, proxy and information statements and other information filed electronically by us with the SEC at http://www.sec.gov.

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

TABLE OF CONTENTS

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

An SAI dated as of August 12, 2016, has been filed with the SEC and is incorporated by reference in this prospectus supplement. An SAI may be obtained without charge by writing to us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us at (310) 566-1094. The Table of Contents of the SAI is as follows:


| | Page |
|---|---|
| The Company | SAI-3 |
| Management of the Company | SAI-5 |
| Distributions | SAI-18 |
| Determination of Net Asset Value | SAI-18 |
| Dividend Reinvestment Plan | SAI-21 |
| Regulation | SAI-22 |
| Brokerage Allocations and Other Practices | SAI-27 |

TABLE OF CONTENTS

**INDEX TO FINANCIAL STATEMENTS**

**TCP Capital Corp.**
**(successor to Special Value Continuation Fund, LLC)**

**Financial Statements**


| | |
|---|---|
| Consolidated Statements of Assets and Liabilities as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-2 |
| Consolidated Schedule of Investments as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-3 |
| Consolidated Statements of Operations for the three and six months ended June 30, 2016 (unaudited) and June 30, 2015 (unaudited) | S-F-22 |
| Consolidated Statements of Changes in Net Assets for the six months ended June 30, 2016 (unaudited) and year ended December 31, 2015 | S-F-23 |
| Consolidated Statements of Cash Flows for the six months ended June 30, 2016 (unaudited) and June 30, 2015 (unaudited) | S-F-24 |
| Notes to Consolidated Financial Statements (unaudited) | S-F-25 |
| Consolidated Schedule of Changes in Investments in Affiliates for the six months ended June 30, 2016 (unaudited) and year ended December 31, 2015 | S-F-47 |
| Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-51 |
| Consolidating Statements of Assets and Liabilities as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-53 |
| Consolidating Statements of Operations for the six months ended June 30, 2016 (unaudited) and June 30, 2015 (unaudited) | S-F-55 |


**Special Value Continuation Partners, LP**

**Financial Statements**


| | |
|---|---|
| Consolidated Statements of Assets and Liabilities as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-57 |
| Consolidated Schedule of Investments as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-58 |
| Consolidated Statements of Operations for the three and six months ended June 30, 2016 (unaudited) and June 30, 2015 (unaudited) | S-F-76 |
| Consolidated Statements of Changes in Net Assets for the six months ended June 30, 2016 (unaudited) and year ended December 31, 2015 | S-F-77 |
| Consolidated Statements of Cash Flows for the six months ended June 30, 2016 (unaudited) and June 30, 2015 (unaudited) | S-F-78 |
| Notes to Consolidated Financial Statements (unaudited) | S-F-79 |
| Consolidated Schedule of Changes in Investments in Affiliates for the six months ended June 30, 2016 (unaudited) and year ended December 31, 2015 | S-F-96 |
| Consolidated Schedule of Restricted Securities of Unaffiliated Issuers as of June 30, 2016 (unaudited) and December 31, 2015 | S-F-100 |

S-F-1

TABLE OF CONTENTS

**TCP Capital Corp.**

**Consolidated Statements of Assets and Liabilities**

| | June 30, 2016 (unaudited) | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value: | | |
| Companies less than 5% owned (cost of $1,151,564,537 and $1,123,682,687, respectively) | $ 1,129,946,177 | $ 1,099,208,475 |
| Companies 5% to 25% owned (cost of $74,317,200 and $68,862,518, respectively) | 72,159,305 | 69,008,931 |
| Companies more than 25% owned (cost of $54,938,136 and $39,162,221 respectively) | 29,395,925 | 14,702,319 |
| Total investments (cost of $1,280,819,873 and $1,231,707,426, respectively) | 1,231,501,407 | 1,182,919,725 |
| Cash and cash equivalents | 38,313,586 | 35,629,435 |
| Receivable for investments sold | 27,666,936 | — |
| Accrued interest income: | | |
| Companies less than 5% owned | 7,992,011 | 8,842,528 |
| Companies 5% to 25% owned | 784,121 | 741,306 |
| Companies more than 25% owned | 529,885 | 29,230 |
| Deferred debt issuance costs | 4,603,529 | 5,390,241 |
| Unrealized appreciation on swaps | 2,981,525 | 3,229,442 |
| Options (cost of $279,327 and $51,750, respectively) | 417,504 | — |
| Prepaid expenses and other assets | 821,524 | 2,331,044 |
| Total assets | 1,315,612,028 | 1,239,112,951 |
| **Liabilities** | | |
| Debt, net of unamortized issuance costs | 516,661,216 | 498,205,471 |
| Payable for investments purchased | 40,952,073 | 6,425,414 |
| Incentive allocation payable | 4,626,745 | 5,207,606 |
| Interest payable | 2,996,217 | 2,911,257 |
| Payable to the Advisor | 749,945 | 508,334 |
| Accrued expenses and other liabilities | 2,434,735 | 3,877,852 |
| Total liabilities | 568,420,931 | 517,135,934 |
| **Commitments and contingencies (Note 5)** | | |
| **Net assets applicable to common shareholders** | **$ 747,191,097** | **$ 721,977,017** |
| **Composition of net assets applicable to common shareholders** | | |
| Common stock, $0.001 par value; 200,000,000 shares | $ 50,705 | $ 48,834 |

| | | | | | | |
|---|---|---|---|---|---|---|
| authorized, 50,705,049 and 48,834,734 shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively | | | | | | |
| Paid-in capital in excess of par | | 906,725,366 | | | 878,383,356 | |
| Accumulated net investment income | | 23,279,884 | | | 22,261,793 | |
| Accumulated net realized losses | | (135,815,320 | ) | | (132,483,593 | ) |
| Accumulated net unrealized depreciation | | (47,049,538 | ) | | (46,233,373 | ) |
| Net assets applicable to common shareholders | $ | 747,191,097 | | $ | 721,977,017 | |
| **Net assets per share** | $ | 14.74 | | $ | 14.78 | |

*See accompanying notes to the consolidated financial statements.*

S-F-2

TABLE OF CONTENTS

**TCP Capital Corp.**

**Consolidated Schedule of Investments (Unaudited)**

**June 30, 2016**

| | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Fair Value | % of Total Cash and Investm |
|---|---|---|---|---|---|---|---|---|---|---|
| **ents** (A) | | | | | | | | | | |
| **ing, elations** | | | | | | | | | | |
| ay III (Exterion ) | First Lien Facility A1 Term Loan | EURIBOR (Q) | 1.25 % | 5.75 % | 7.00% | 3/18/2018 | €12,249,157 | $ 16,157,454 | $ 13,603,914 | 1.07 |
| Inc. re) | First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee) | LIBOR (M) | 0.33 % | 10.17 % | 10.86% | 9/1/2018 | $ 15,000,000 | 14,663,929 | 14,727,750 | 1.16 |
| Inc. re) | First Lien Delayed Draw Tranche 1 Term Loan | LIBOR (M) | 0.33 % | 10.17 % | N/A | 9/1/2018 | $ — | — | — | - |
| Inc. re) | First Lien Delayed Draw Tranche 1 Term Loan | LIBOR (M) | 0.33 % | 10.17 % | N/A | 9/1/2018 | $ — | — | — | - |
| | | | | | | | | 30,821,383 | 28,331,664 | 2.23 |
| **rtation** | | | | | | | | | | |
| Airways anada) | Aircraft Acquisition Loan A | LIBOR (M) | — | 8.50 % | 9.00% | 1/31/2023 | $ 13,738,102 | 13,496,379 | 13,984,014 | 1.10 |
| Airways anada) | Aircraft Acquisition | LIBOR (M) | — | 8.50 % | 9.00% | 1/31/2023 | $ 14,058,316 | 13,794,314 | 14,300,119 | 1.13 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Loan A1 | | | | | | | | | |
| r Group, | Acquisition Delayed Draw Loan | LIBOR (M) | — | 7.25 % | N/A | 6/17/2019 | $ — | — | 271,500 | 0.02 |
| r Group, | Acquisition Loan | LIBOR (M) | — | 7.25 % | 7.75% | 7/15/2022 | $ 15,038,207 | 14,799,825 | 15,338,971 | 1.21 |
| | | | | | | | | 42,090,518 | 43,894,604 | 3.46 |
| **cturing** | | | | | | | | | | |
| ros., Co. | First Lien Term Loan (First Out) | LIBOR (Q) | 1.25 % | 5.75 % | 7.00% | 6/3/2021 | $ 9,840,000 | 9,663,099 | 9,692,400 | 0.76 |
| ros., Co. | First Lien Term Loan B (Last Out) | LIBOR (Q) | 1.25 % | 12.25 % | 13.50% | 6/3/2021 | $ 9,860,000 | 9,687,471 | 9,712,100 | 0.76 |
| rel , LLC | First Lien FILO Term Loan | LIBOR (M) | 1.00 % | 9.60 % | 10.60% | 4/8/2019 | $ 3,192,279 | 3,175,386 | 3,224,202 | 0.25 |
| | | | | | | | | 22,525,956 | 22,628,702 | 1.77 |
| **Services** | | | | | | | | | | |
| Global gies, | Sr Secured Revolving Loan | LIBOR (Q) | 0.23 % | 8.52 % | 8.75% | 11/30/2018 | $ — | (27,602 ) | 11,600 | - |
| Global gies, | Sr Secured Term Loan (1.0% Exit Fee) | LIBOR (Q) | 0.23 % | 9.27 % | 9.92% | 11/30/2019 | $ 24,250,000 | 24,018,703 | 24,320,325 | 1.92 |
| rway ons, Inc. vantage) | Second Lien Term Loan | LIBOR (Q) | 1.00 % | 9.25 % | 10.25% | 6/30/2023 | $ 31,000,000 | 30,566,061 | 31,864,900 | 2.51 |
| | | | | | | | | 54,557,162 | 56,196,825 | 4.43 |
| **ls** | | | | | | | | | | |
| Plant , LLC | Sr Secured Term Loan (8.0% Exit Fee) | LIBOR (Q) | — | 10.63 % | 11.96% | 2/1/2018 | $ 10,254,168 | 10,651,471 | 10,748,931 | 0.85 |
| er, Inc. | Sr Secured Term Loan (8.0% Exit Fee) | LIBOR (M) | 0.23 % | 9.27 % | 9.96% | 12/1/2017 | $ 7,982,168 | 8,346,945 | 8,675,020 | 0.68 |
| ologics, | Sr Secured Delayed Draw Term Loan (10.0% Exit | Prime Rate | — | 7.75 % | 11.25% | 5/1/2018 | $ 15,000,000 | 15,202,033 | 15,553,500 | 1.22 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Fee) | | | | | | | | | |
| | | | | | | | | 34,200,449 | 34,977,451 | 2.75 |
| **nications ent cturing** | | | | | | | | | | |
| mm Inc. | First Lien Term Loan | LIBOR (Q) | 1.25 % | 7.63 % | 10.13% | 12/11/2018 | $ 14,554,640 | 14,409,094 | 14,554,640 | 1.15 |
| mm Inc. | First Lien Series A Term Loan | LIBOR (Q) | 1.25 % | 7.63 % | 8.88% | 12/11/2018 | $ — | — | — | - |
| | | | | | | | | 14,409,094 | 14,554,640 | 1.15 |
| **er ent cturing** | | | | | | | | | | |
| Graphics onal | First Lien Term Loan | LIBOR (Q) | 1.00 % | 9.00 % | 10.00% | 7/27/2018 | $ 15,949,968 | 15,757,759 | 16,069,593 | 1.27 |

TABLE OF CONTENTS

**TCP Capital Corp.**

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

**June 30, 2016**

| | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Fair Value | % of Total Cash and Investmen |
|---|---|---|---|---|---|---|---|---|---|---|
| **ments nued)** | | | | | | | | | | |
| **uter ns Design elated es** | | | | | | | | | | |
| socket, | Senior Secured 1st Lien Term Loan | LIBOR (M) | 1.00 % | 10.00 % | 11.00% | 2/10/2021 | $ 17,500,000 | $ 16,883,291 | $ 17,272,500 | 1.36 % |
| Software ration | Second Lien Term Loan | LIBOR (M) | 1.00 % | 7.50 % | 8.50% | 5/29/2021 | $ 6,993,035 | 6,945,905 | 5,944,080 | 0.47 % |
| nterprise ons, Ltd. la) | First Lien Term Loan B | LIBOR (Q) | — | 8.00 % | 8.64% | 9/3/2018 | $ 2,325,867 | 2,325,867 | 2,325,867 | 0.18 % |
| nterprise ons, Ltd. la) | First Lien Term Loan | LIBOR (Q) | — | 8.00 % | 8.64% | 9/3/2018 | $ 10,373,333 | 10,306,412 | 10,373,333 | 0.82 % |
| JSA, LLC | First Lien Term Loan B | LIBOR (Q) | — | 8.00 % | 8.64% | 9/3/2018 | $ 3,761,733 | 3,761,733 | 3,761,733 | 0.30 % |
| JSA, LLC | First Lien Term Loan | LIBOR (Q) | — | 8.00 % | 8.64% | 9/3/2018 | $ 3,186,667 | 3,169,864 | 3,186,667 | 0.25 % |
| nix, LLC | First Lien Revolver | LIBOR (Q) | 0.50 % | 8.50 % | 9.00% | 12/4/2018 | $ 570,996 | 567,735 | 570,996 | 0.04 % |
| nix, LLC | First Lien Term Loan | LIBOR (M) | 0.50 % | 8.50 % | 9.00% | 12/4/2018 | $ 6,123,145 | 6,082,365 | 6,061,914 | 0.48 % |
| fall tional, | First Lien Delayed Draw Term Loan | LIBOR (Q) | — | 11.67 % | 12.36% | 9/1/2018 | $ 4,800,000 | 4,772,537 | 4,818,960 | 0.38 % |
| | | | | | | | | 54,815,709 | 54,316,050 | 4.28 % |
| **ssing and** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **g es** | | | | | | | | | | |
| tional, | Delayed Draw Term Loan | LIBOR (M) | 1.00 % | 7.00 % | 8.00% | 7/31/2020 | $ 3,430,383 | 3,399,154 | 3,383,558 | 0.27 % |
| tional, | Revolver Loan | LIBOR (M) | 1.00 % | 7.00 % | 8.00% | 7/31/2020 | $ 807,920 | 801,046 | 796,892 | 0.06 % |
| tional, | First Lien Term Loan | LIBOR (M) | 1.00 % | 7.00 % | 8.00% | 7/31/2020 | $ 8,088,844 | 7,971,339 | 7,978,431 | 0.63 % |
| ide Ltd. | Second Lien Term Loan | LIBOR (Q) | 0.50 % | 8.75 % | 9.44% | 8/6/2019 | $ 4,625,000 | 3,972,348 | 4,643,500 | 0.37 % |
| TLD , Ltd. side) an ) | Second Lien Term Loan | LIBOR (Q) | 0.50 % | 8.75 % | 9.44% | 8/6/2019 | $ 9,250,000 | 7,944,697 | 9,287,000 | 0.73 % |
| | | | | | | | | 24,088,584 | 26,089,381 | 2.06 % |
| **ic Power ation, mission bution** | | | | | | | | | | |
| ene able Fund 3, Conergy) | First Lien Term Loan | Fixed | — | 9% Cash + 1% PIK | 10.00% | 9/10/2017 | $ 7,499,009 | $ 7,452,179 | $ 7,424,019 | 0.58 % |
| UK io I ver LLC, gy) | Senior Secured 1st Lien Term Loan | LIBOR (Q) | — | 9.00 % | 9.65% | 3/3/2018 | $ 3,951,020 | 3,849,232 | 3,911,510 | 0.31 % |
| | | | | | | | | 11,301,411 | 11,335,529 | 0.89 % |
| **onic onent facturing** | | | | | | | | | | |
| ive, Inc. | First Lien Delayed Draw Term Loan | LIBOR (Q) | — | 10.72 % | N/A | 7/1/2018 | $ — | (96,963 ) | — | — |
| Inc. | Tranche A Term Loan (3.0% Exit Fee) | LIBOR (Q) | 0.44 % | 9.33 % | 9.96% | 3/1/2018 | $ 21,383,721 | 20,745,834 | 20,858,751 | 1.64 % |
| Inc. | Tranche B Term Loan | LIBOR (Q) | 0.44 % | 9.33 % | 9.96% | 9/1/2017 | $ 1,603,779 | 1,523,920 | 1,580,043 | 0.12 % |
| | | | | | | | | 22,172,791 | 22,438,794 | 1.76 % |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **ment g** | | | | | | | | | | |
| treet l Partners gs, LLC | Senior Note | Fixed | — | 12.00 % | 12.00% | 11/1/2020 | $ 16,870,302 | 16,870,302 | 16,870,302 | 1.33 % |
| Ocean, Solexel) | Sr Secured Term Loan | Fixed | — | 8.00 % | 8.00% | 8/15/2018 | $ 2,167,243 | 2,167,243 | 2,206,254 | 0.17 % |
| | | | | | | | | 19,037,545 | 19,076,556 | 1.50 % |
| **ies rt es** | | | | | | | | | | |
| opment | First Lien Term Loan B | LIBOR (M) | 1.25 % | 6.75 % | 8.00% | 3/15/2018 | $ 1,407,222 | 1,312,234 | 1,315,752 | 0.10 % |
| **cial ment cies** | | | | | | | | | | |
| ent, Inc. | First Lien Term Loan B2 | LIBOR (Q) | 1.50 % | 5.25 % | 6.75% | 5/8/2017 | $ 12,304,553 | 11,922,380 | 11,781,610 | 0.93 % |
| lia e V plc an ) | Asset-Backed Credit Linked Notes | Fixed | — | 13.13 % | 13.13% | 8/2/2021 | $ 15,000,000 | 15,000,000 | 14,812,500 | 1.17 % |
| | | | | | | | | 26,922,380 | 26,594,110 | 2.10 % |

TABLE OF CONTENTS

**TCP Capital Corp.**

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

**June 30, 2016**

| | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Fair Value | % of Total Cash and Investmen |
|---|---|---|---|---|---|---|---|---|---|---|
| **ments ued)** | | | | | | | | | | |
| **g** | | | | | | | | | | |
| ning I, | First Lien Revolver | LIBOR (M) | — | 8.25 % | N/A | 12/20/2018 | $ — | (1,759,594 ) | (1,562,500 ) | (0.12 % |
| **y Stores** | | | | | | | | | | |
| Inc. | First Lien FILO Term Loan | LIBOR (M) | 1.50 % | 8.80 % | 10.30% | 10/8/2019 | $ 9,455,037 | 9,418,865 | 9,549,587 | 0.75 % |
| **ls** | | | | | | | | | | |
| Inc. | First Lien Term Loan | LIBOR (Q) | 1.00 % | 9.00 % | 10.00% | 7/1/2018 | $ 3,611,649 | 3,593,591 | 3,665,824 | 0.29 % |
| ealthcare, | First Lien Term Loan | Prime Rate | — | 8.25 % | 11.75% | 8/28/2020 | $ 15,866,144 | 15,557,477 | 15,960,547 | 1.26 % |
| | | | | | | | | 19,151,068 | 19,626,371 | 1.55 % |
| **ce s** | | | | | | | | | | |
| dings, | First Lien Term Loan | LIBOR (Q) | 1.00 % | 6.50 % | 7.50% | 8/31/2021 | $ 3,850,000 | 3,781,810 | 3,657,500 | 0.29 % |
| le LLC ogy) | First Lien Term Loan | LIBOR (Q) | 0.50 % | 11.50 % | 12.19% | 8/29/2019 | $ 20,000,000 | 19,444,049 | 20,000,000 | 1.58 % |
| | | | | | | | | 23,225,859 | 23,657,500 | 1.87 % |
| **ce es** | | | | | | | | | | |
| e, LLC | Second Lien Notes | LIBOR (Q) | 1.00 % | 9.00 % | 10.00% | 11/19/2022 | $ 28,999,999 | 28,612,141 | 28,999,999 | 2.28 % |
| e, LLC | Second Lien Incremental | LIBOR (Q) | 1.00 % | 9.00 % | 10.00% | 11/19/2022 | $ 6,000,000 | 5,942,305 | 6,000,000 | 0.47 % |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Notes | | | | | | | | | |
| | | | | | | | | 34,554,446 | 34,999,999 | 2.75 % |
| **of<br>ancial<br>s** | | | | | | | | | | |
| diate<br>s 2, LLC | Second Lien<br>Term Loan | LIBOR<br>(Q) | 1.00 % | 8.50 % | 9.50% | 5/27/2022 | $ 15,768,424 | 15,640,895 | 15,255,950 | 1.20 % |
| diate<br>s 2, LLC | Second Lien<br>Incremental<br>Term Loan | LIBOR<br>(Q) | 1.00 % | 8.50 % | 9.50% | 5/27/2022 | $ 3,426,412 | 3,395,672 | 3,315,054 | 0.26 % |
| | | | | | | | | 19,036,567 | 18,571,004 | 1.46 % |
| **ement,<br>ic, and<br>cal<br>ting<br>s** | | | | | | | | | | |
| Data &<br>es, LLC | First Lien<br>Term Loan | LIBOR<br>(Q) | 1.00 % | 8.75% | 9.75% | 10/31/2019 | $ 24,344,549 | $ 23,884,767 | $ 23,735,935 | 1.87 % |
| **l<br>nent and<br>s<br>acturing** | | | | | | | | | | |
| us, LLC | Second Lien<br>Term Loan | LIBOR<br>(Q) | 1.00 % | 10.00 % | 11.00% | 4/10/2020 | $ 11,000,000 | 10,835,990 | 10,917,500 | 0.86 % |
| **Picture<br>leo<br>ies** | | | | | | | | | | |
| nment, | First Lien<br>Term Loan | Fixed | — | 11.00 % | 11.00% | 6/21/2017 | $ 9,462,231 | 9,497,311 | 4,314,304 | 0.34 % |
| nment, | Second Lien<br>Term Loan | Fixed | — | 15.50 % | 15.50% | 6/21/2018 | $ 7,569,785 | 7,700,187 | 298,250 | 0.02 % |
| | | | | | | | | 17,197,498 | 4,612,554 | 0.36 % |
| **ository<br><br>ediation** | | | | | | | | | | |
| an<br>l Group<br>n | Sr Secured<br>Notes | Fixed | — | 11.50 % | 11.50% | 11/15/2019 | $ 28,678,000 | 28,552,175 | 28,911,009 | 2.28 % |
| k<br>l | First Lien<br>Delayed | LIBOR<br>(M) | — | 9.50 % | 9.96% | 1/12/2020 | $ 17,500,000 | 17,267,540 | 17,017,000 | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| nce, | Draw Term Loan | | | | | | | | | |
| ne Select s, LLC | First Lien Term Loan | LIBOR (Q) | 1.00 % | 8.00 % | 9.00% | 3/26/2021 | $ 16,183,908 | 16,018,277 | 15,913,637 | 1.25 % |
| inance I, Ltd. n | Secured Class B Notes | Fixed | — | 10.75 % | 10.75% | 11/13/2018 | $ 15,084,000 | 15,084,000 | 14,857,740 | 1.17 % |
| | | | | | | | | 76,921,992 | 76,699,386 | 6.04 % |
| **Gas ion** | | | | | | | | | | |
| erica LLC | Second Lien Term Loan | LIBOR (Q) | 1.00 % | 8.50 % | 9.50% | 8/4/2019 | $ 242,857 | 240,296 | 228,286 | 0.02 % |

S-F-5

TABLE OF CONTENTS

**TCP Capital Corp.**

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

**June 30, 2016**

| | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Fair Value | % of Total Cash and Investm |
|---|---|---|---|---|---|---|---|---|---|---|
| **estments d)** | | | | | | | | | | |
| **emical and** | | | | | | | | | | |
| **uring** | | | | | | | | | | |
| Inc. | Senior Secured 1st Lien Delayed Draw Term Loan (3.0% Exit Fee) | LIBOR (Q) | — | 9.81 % | 10.50% | 4/1/2019 | $ 7,000,000 | 6,371,874 | 6,654,050 | 0.52 |
| **ormation** | | | | | | | | | | |
| Research, | First Lien Term Loan | LIBOR (Q) | 0.50 % | 10.50 % | 11.19% | 12/11/2020 | $ 5,000,712 | 4,908,856 | 4,938,203 | 0.39 |
| ud Ltd. ingdom) | Sr Secured Term Loan (2.0% Exit Fees) | LIBOR (M) | 0.28 % | 10.72 % | 11.00% | 10/1/2018 | $ 31,550,000 | 31,494,139 | 31,944,398 | 2.52 |
| oldings, LLC ck) | Second Lien Term Loan | LIBOR (M) | 1.00 % | 7.75 % | 8.75% | 11/6/2021 | $ 19,988,392 | 19,752,366 | 18,789,089 | 1.48 |
| | | | | | | | | 56,155,361 | 55,671,690 | 4.39 |
| **uring** | | | | | | | | | | |
| ding Corp. | Sr Secured Term Loan | Fixed | — | 12.00 % | 12.00% | 9/15/2016 | $ 4,869,577 | 4,869,577 | 4,869,577 | 0.38 |
| ding Corp. | Second Lien Notes | Fixed | — | 11.00 % | 11.00% | 11/15/2016 | $ 9,268,000 | 7,586,317 | 9,268,000 | 0.73 |
| g Tube, | Subordinated Notes | LIBOR (M) | — | 17.50 % | 17.50% | 2/1/2021 | $ 1,030,741 | 1,030,741 | 146,365 | 0.01 |
| | | | | | | | | 13,486,635 | 14,283,942 | 1.12 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **nunications** | | | | | | | | | | |
| echnologies, | Second Lien Term Loan | LIBOR (Q) | 1.25 % | 7.75 % | 9.00% | 4/30/2021 | $ 14,000,000 | 13,860,000 | 12,623,310 | 0.99 |
| **blishing** | | | | | | | | | | |
| LC | First Lien Revolver | LIBOR (Q) | — | 9.00 % | N/A | 4/29/2021 | $ — | $ (24,000 ) | $ (24,000 ) | |
| LC | First Lien Term Loan | LIBOR (Q) | — | 9.00 % | 9.69% | 4/29/2021 | $ 8,800,000 | 8,629,495 | 8,624,000 | 0.68 |
| a USA, Inc. | First Lien Revolver | Prime Rate | — | 5.75 % | 9.25% | 5/20/2018 | $ 3,952,500 | 3,501,508 | 3,952,500 | 0.31 |
| a USA, Inc. | First Lien Term Loan | LIBOR (Q) | 1.25 % | 6.75 % | 8.00% | 11/20/2018 | $ 5,681,239 | 5,598,879 | 5,681,239 | 0.45 |
| | | | | | | | | 17,705,882 | 18,233,739 | 1.44 |
| **euticals** | | | | | | | | | | |
| Medical Inc. | First Lien Term Loan | LIBOR (Q) | 1.00 % | 6.00 % | 7.00% | 6/30/2022 | $ 10,976,206 | 10,380,535 | 9,823,704 | 0.77 |
| **uring** | | | | | | | | | | |
| ernational, | Sr Secured Notes | Fixed | — | 9.50 % | 9.50% | 6/1/2018 | $ 13,600,000 | 13,600,000 | 7,378,000 | 0.58 |
| **d Television ting** | | | | | | | | | | |
| C | Sr Secured Notes | Fixed | — | 10.38 % | 10.38% | 7/1/2019 | $ 7,312,000 | | | |