

TCP Capital Corp.
Form 10-Q
November 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarter Ended September 30, 2015

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

Commission File Number: 814-00899

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

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

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

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

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

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

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

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

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

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

Large accelerated filer Accelerated filer

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Non-accelerated filer Smaller Reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the Registrant's common stock, \$0.001 par value, outstanding as of November 5, 2015 was 48,872,263.

TCP CAPITAL CORP.

FORM 10-Q FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

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TCP Capital Corp.

Consolidated Statements of Assets and Liabilities

| | September 30, 2015 (unaudited) | December 31, 2014 |
|--|--------------------------------------|----------------------|
| Assets | | |
| Investments, at fair value: | | |
| Companies less than 5% owned (cost of \$1,206,750,821 and \$1,097,181,753, respectively) | \$1,187,883,822 | \$1,081,901,384 |
| Companies 5% to 25% owned (cost of \$67,502,341 and \$52,103,511, respectively) | 66,890,774 | 48,716,425 |
| Companies more than 25% owned (cost of \$38,631,089 and \$40,213,258 respectively) | 14,386,043 | 15,918,077 |
| Total investments (cost of \$1,312,884,251 and \$1,189,498,522, respectively) | 1,269,160,639 | 1,146,535,886 |
| Cash and cash equivalents | 34,582,869 | 27,268,792 |
| Deferred debt issuance costs | 9,844,273 | 7,700,988 |
| Receivable for investments sold | 1,969,722 | 10,961,369 |
| Accrued interest income: | | |
| Companies less than 5% owned | 13,261,132 | 9,222,001 |
| Companies 5% to 25% owned | 750,685 | 253,987 |
| Companies more than 25% owned | 17,493 | 28,450 |
| Unrealized appreciation on swaps | 2,868,748 | 1,717,610 |
| Options (cost of \$51,750 and \$51,750, respectively) | - | 497 |
| Prepaid expenses and other assets | 1,381,556 | 2,177,217 |
| Total assets | 1,333,837,117 | 1,205,866,797 |
| Liabilities | | |
| Debt | 575,305,233 | 328,696,830 |
| Payable for investments purchased | 7,847,520 | 2,049,518 |
| Incentive allocation payable | 4,838,534 | 4,303,040 |
| Interest payable | 3,580,028 | 1,510,981 |
| Payable to the Advisor | 731,172 | 459,827 |
| Accrued expenses and other liabilities | 2,635,000 | 3,219,783 |
| Total liabilities | 594,937,487 | 340,239,979 |
| Commitments and contingencies (Note 5) | | |
| Preferred equity facility | | |
| Series A preferred limited partner interests in Special Value Continuation Partners, LP; \$20,000/interest liquidation preference; 0 and 6,700 interests authorized, issued and outstanding as of September 30, 2015 and December 31, 2014, respectively | - | 134,000,000 |
| Accumulated dividends on Series A preferred equity facility | - | 497,790 |
| Total preferred limited partner interests | - | 134,497,790 |
| Non-controlling interest | | |
| General Partner interest in Special Value Continuation Partners, LP | - | - |

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| | | |
|--|----------------|----------------|
| Net assets applicable to common shareholders | \$738,899,630 | \$731,129,028 |
| Composition of net assets applicable to common shareholders | | |
| Common stock, \$0.001 par value; 200,000,000 shares authorized, 48,934,498 and 48,710,627 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively | | |
| | \$48,934 | \$48,710 |
| Paid-in capital in excess of par | 880,682,891 | 877,103,880 |
| Accumulated net investment income | 28,066,387 | 21,884,381 |
| Accumulated net realized losses | (128,426,795) | (126,408,033) |
| Accumulated net unrealized depreciation | (41,471,787) | (41,499,910) |
| Net assets applicable to common shareholders | \$738,899,630 | \$731,129,028 |
| Net assets per share | \$15.10 | \$15.01 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Value |
|--|--|----------------|-------|--------|-----------------|-----------|--------------|------------|------------|
| <u>Debt</u> | | | | | | | | | |
| <u>Investments</u> ^(A) | | | | | | | | | |
| Accounting, Tax and Payroll Services | | | | | | | | | |
| EGS Holdings, Inc. | Holdco PIK Notes | LIBOR (A) | 3.00% | 10.00% | 13.00% | 10/3/2018 | \$57,238 | \$57,238 | \$57,238 |
| Expert Global Solutions, LLC | Second Lien Term Loan | LIBOR (Q) | 1.50% | 11.00% | 12.50% | 10/3/2018 | \$15,249,675 | 15,031,105 | 15,402,100 |
| | | | | | | | | 15,088,343 | 15,459,443 |
| Advertising, Public Relations Services | | | | | | | | | |
| Doubleplay III Limited (Exterior Media) (United Kingdom) | First Lien Facility A1 Term Loan | EURIBOR (Q) | 1.25% | 6.25% | 7.50% | 3/18/2018 | €12,249,157 | 15,848,565 | 13,759,300 |
| InMobi, Inc. (Singapore) | First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee) | LIBOR (M) | 0.33% | 10.17% | 10.50% | 9/1/2018 | \$10,645,041 | 10,138,202 | 10,138,000 |
| InMobi, Inc. (Singapore) | First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee) | LIBOR (M) | 0.33% | 10.17% | N/A | 9/1/2018 | \$- | - | 5 |
| InMobi, Inc. (Singapore) | First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee) | LIBOR (M) | 0.33% | 10.17% | N/A | 9/1/2018 | \$- | - | 3 |

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| | Fee) | | | | | | | | 25,986,767 | 23,897,3 |
|---|-----------------------------------|--------------|---|--------|--------|------------|--------------|------------|------------|----------|
| Air Transportation Aircraft Leased to Delta Air Lines, Inc. | | | | | | | | | | |
| N913DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 3/15/2017 | \$137,608 | 137,608 | 137,608 | 139,612 |
| N918DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 8/15/2018 | \$253,943 | 253,943 | 253,943 | 258,932 |
| N954DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 3/20/2019 | \$360,363 | 360,363 | 360,363 | 367,458 |
| N955DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 6/20/2019 | \$385,135 | 385,135 | 385,135 | 392,963 |
| N956DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 5/20/2019 | \$381,663 | 381,663 | 381,663 | 389,397 |
| N957DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 6/20/2019 | \$388,503 | 388,503 | 388,503 | 396,402 |
| N959DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 7/20/2019 | \$395,285 | 395,285 | 395,285 | 403,338 |
| N960DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 10/20/2019 | \$418,755 | 418,755 | 418,755 | 427,312 |
| N961DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 8/20/2019 | \$408,799 | 408,799 | 408,799 | 417,143 |
| N976DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 2/15/2018 | \$238,743 | 238,743 | 238,743 | 243,132 |
| Aircraft Leased to United Airlines, Inc. | | | | | | | | | | |
| N659UA | Aircraft Secured Mortgage | Fixed | - | 12.00% | 12.00% | 2/28/2016 | \$644,862 | 644,862 | 644,862 | 659,259 |
| N661UA | Aircraft Secured Mortgage | Fixed | - | 12.00% | 12.00% | 5/4/2016 | \$879,217 | 879,217 | 879,217 | 907,623 |
| Cargojet Airways LTD. (Canada) | Aircraft Acquisition Loan A | LIBOR (M) | - | 8.50% | 8.75% | 1/31/2023 | \$14,457,306 | 14,181,056 | 14,181,056 | 14,470,3 |
| Cargojet Airways LTD. | Aircraft Acquisition | LIBOR (M) | - | 8.50% | N/A | 1/31/2023 | \$- | - | - | 14 |

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| | | | | | | | | | | |
|--|---|------------|-------|-----------------|--------|------------|--------------|------------|--|----------|
| (Canada) | Loan A1 | | | | | | | | | |
| Mesa Air Group, Inc. | Acquisition Delayed Draw Loan | LIBOR (M) | - | 7.25% | N/A | 6/17/2019 | \$- | - | | 312,225 |
| Mesa Air Group, Inc. | Acquisition Loan | LIBOR (M) | - | 7.25% | 7.50% | 7/15/2022 | \$16,463,185 | 16,173,182 | | 16,841,8 |
| One Sky Flight, LLC | Second Lien Term Loan | Fixed | - | 12% Cash+3% PIK | 15.00% | 6/3/2019 | \$32,904,104 | 32,115,500 | | 33,891,2 |
| | | | | | | | | 67,362,614 | | 70,518,1 |
| Apparel Manufacturing | | | | | | | | | | |
| Jones Apparel, LLC | First Lien FILO Term Loan | LIBOR (M) | 1.00% | 9.60% | 10.60% | 4/8/2019 | \$4,697,022 | 4,662,802 | | 4,697,02 |
| Business Support Services | | | | | | | | | | |
| Enerwise Global Technologies, Inc. | Sr Secured Revolving Loan | LIBOR (Q) | 0.23% | 8.52% | 8.75% | 11/30/2017 | \$- | (79,130) | | (50,625 |
| Enerwise Global Technologies, Inc. | Sr Secured Term Loan (1.5% Exit Fee) | LIBOR (Q) | 0.23% | 9.27% | 9.50% | 11/30/2019 | \$17,500,000 | 17,235,436 | | 17,381,8 |
| STG-Fairway Acquisitions, Inc. (First Advantage) | Second Lien Term Loan | LIBOR (Q) | 1.00% | 9.25% | 10.25% | 6/30/2023 | \$31,000,000 | 30,537,872 | | 31,930,0 |
| | | | | | | | | 47,694,178 | | 49,261,2 |
| Chemicals | | | | | | | | | | |
| Anuvia Plant Nutrients Holdings, LLC | Sr Secured Term Loan (8.0 % Exit Fee) | LIBOR (M) | 0.23% | 10.27% | 10.50% | 2/1/2018 | \$7,700,000 | 7,914,869 | | 7,935,20 |
| BioAmber, Inc. | Sr Secured Term Loan | LIBOR (M) | 0.23% | 9.27% | 9.50% | 12/1/2017 | \$25,000,000 | 25,167,961 | | 25,662,5 |
| Green Biologics, Inc. | Sr Secured Delayed Draw Term Loan (7.0% Exit Fee) | Prime Rate | 3.25% | 7.75% | 11.00% | 5/1/2018 | \$15,000,000 | 14,814,099 | | 15,000,0 |
| PeroxyChem, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 6.50% | 7.50% | 2/28/2020 | \$8,832,681 | 8,717,037 | | 8,832,68 |
| | | | | | | | | 56,613,966 | | 57,430,3 |
| Communications Equipment Manufacturing | | | | | | | | | | |
| Globecomm Systems, Inc. | First Lien Term Loan | LIBOR (Q) | 1.25% | 7.63% | 8.88% | 12/11/2018 | \$14,737,500 | 14,590,125 | | 14,514,2 |

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|--|-----------------------------------|-----------|-------|-------------------|--------|-----------|--------------|------------|------------|
| Computer Equipment Manufacturing | | | | | | | | | |
| ELO Touch Solutions, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.50% | 10.50% | 12.00% | 12/1/2018 | \$12,000,000 | 11,681,018 | 11,692,200 |
| Silicon Graphics International Corp. | First Lien Term Loan | LIBOR (Q) | 1.00% | 9.00% | 10.00% | 7/27/2018 | \$18,550,882 | 18,247,955 | 18,690,000 |
| | | | | | | | | 29,928,973 | 30,382,200 |
| Computer Systems Design and Related Services | | | | | | | | | |
| Autoalert, LLC | First Lien Term Loan | LIBOR (Q) | 0.25% | 4.75% Cash+4% PIK | 9.00% | 3/31/2019 | \$31,235,295 | 30,786,178 | 31,140,000 |
| MSC Software Corporation | Second Lien Term Loan | LIBOR (M) | 1.00% | 7.50% | 8.50% | 5/29/2021 | \$6,993,035 | 6,935,034 | 6,800,720 |
| OnX Enterprise Solutions, Ltd. (Canada) | First Lien Term Loan B | LIBOR (Q) | - | 8.00% | 8.28% | 9/3/2018 | \$2,343,667 | 2,343,667 | 2,327,730 |
| OnX Enterprise Solutions, Ltd. (Canada) | First Lien Term Loan | LIBOR (Q) | - | 7.00% | 7.28% | 9/3/2018 | \$10,453,333 | 10,361,830 | 10,116,700 |
| OnX USA, LLC | First Lien Term Loan B | LIBOR (Q) | - | 8.00% | 8.28% | 9/3/2018 | \$4,687,333 | 4,687,333 | 4,655,460 |
| OnX USA, LLC | First Lien Term Loan | LIBOR (Q) | - | 7.00% | 7.28% | 9/3/2018 | \$5,226,667 | 5,184,603 | 5,058,360 |
| Vistronix, LLC | First Lien Revolver | LIBOR (Q) | 0.50% | 8.00% | 8.50% | 12/4/2018 | \$228,398 | 223,861 | 228,398 |
| Vistronix, LLC | First Lien Term Loan | LIBOR (M) | 0.50% | 8.00% | 8.50% | 12/4/2018 | \$6,288,020 | 6,233,315 | 6,256,580 |
| Waterfall International, Inc. | First Lien Delayed Draw Term Loan | LIBOR (Q) | - | 11.67% | 12.00% | 9/1/2018 | \$4,800,000 | 4,648,512 | 4,648,800 |
| | | | | | | | | 71,404,333 | 71,232,800 |
| Data Processing and Hosting Services | | | | | | | | | |
| Asset International, Inc. | Delayed Draw Term Loan | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$3,033,145 | 2,997,251 | 3,032,450 |
| Asset International, Inc. | Revolver Loan | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$24,238 | 16,101 | 24,238 |
| Asset International, Inc. | First Lien Term Loan | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$8,130,008 | 7,993,988 | 8,169,030 |
| | | | 0.50% | 8.75% | 9.25% | 8/6/2019 | \$4,812,500 | 4,002,763 | 4,767,740 |

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|--|-----------------------|-----------|-------|-----------|--------|----------|-------------|------------|------------|
| Rightside Group, Ltd. | Second Lien Term Loan | LIBOR (Q) | | | | | | | |
| The Telx Group, Inc. | Senior Notes | Fixed | - | 13.5% PIK | 13.50% | 7/9/2021 | \$4,746,800 | 4,746,800 | 4,889,200 |
| United TLD Holdco, Ltd. (Rightside) (Cayman Islands) | Second Lien Term Loan | LIBOR (Q) | 0.50% | 8.75% | 9.25% | 8/6/2019 | \$9,625,000 | 8,005,526 | 9,535,480 |
| | | | | | | | | 27,762,429 | 30,418,100 |

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | V |
|--|--------------------------------------|-----------|-------|----------------------|-----------------|-----------------------|-----------------------------|-------------------------|----|
| <u>Debt Investments</u> | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | |
| Electric Power Generation, Transmission and Distribution | | | | | | | | | |
| Holocene Renewable Energy Fund 3, LLC (Conergy) | | | | | | | | | |
| | First Lien Term Loan | Fixed | - | 9% Cash+1% PIK | 10.00% | 9/9/2017 | \$7,463,901 | \$7,390,860 | \$ |
| Electrical Equipment Manufacturing | | | | | | | | | |
| API Technologies Corp. | | | | | | | | | |
| | First Lien Term Loan | LIBOR (Q) | 1.50% | 7.50% | 9.00% | 2/6/2018 | \$6,296,253 | 6,255,677 | |
| API Technologies Corp. | | | | | | | | | |
| | First Lien Term Loan | LIBOR (Q) | 1.50% | 7.50% | 9.00% | 2/6/2018 | \$4,081,961 | 4,001,969 | |
| | | | | | | | | 10,257,646 | |
| Electronic Component Manufacturing | | | | | | | | | |
| Central MN Renewables, LLC | | | | | | | | | |
| | Sr Secured Revolver | Fixed | - | 8.25% | N/A | 1/1/2016 | \$- | - | |
| Redaptive, Inc. | | | | | | | | | |
| | Frist Lien Delayed Draw Term Loan | LIBOR (Q) | - | 10.72% | N/A | 7/1/2018 | \$- | (133,163) |) |
| Soraa, Inc. | | | | | | | | | |
| | Sr Secured Term Loan (4.0% Exit Fee) | LIBOR (M) | 0.23% | 10.27% | 10.50% | 9/1/2017 | \$22,500,000 | 22,392,029 | |
| SunEdison, Inc. | | | | | | | | | |
| | Senior Secured Letters of Credit | Fixed | - | 3.75% | N/A | 2/28/2017 | \$- | (604,759) |) |
| | | | | | | | | 21,654,107 | |
| Equipment Leasing | | | | | | | | | |
| Essex Ocean, LLC | | | | | | | | | |
| | Sr Secured Term Loan | Fixed | - | 8.00% | 8.00% | 3/25/2019 | \$- | - | |
| Essex Ocean, LLC (Solexel) | | | | | | | | | |
| | Sr Secured Term Loan | Fixed | - | 8.00% | 8.00% | 8/15/2018 | \$2,855,401 | 2,855,401 | |
| | | | | | | | | 2,855,401 | |
| Financial Investment Activities | | | | | | | | | |
| Magnolia Finance V plc (Cayman Islands) | | | | | | | | | |
| | Asset-Backed Credit Linked Notes | Fixed | - | 13.13% 1.00% | 13.13% 7.50% | 8/2/2021 4/30/2022 | \$15,000,000 \$4,471,492 | 15,000,000 4,435,286 | |

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|--|-------------------------------|-----------|-------|--------|--------|------------|--------------|------------|-------------|
| Institutional Shareholder Services, Inc. | Second Lien Term Loan | LIBOR (Q) | | | | | | | |
| Marsico Capital Management | First Lien Term Loan | LIBOR (Q) | - | 5.00% | 5.31% | 12/31/2022 | \$10,583,316 | 13,304,224 | 32,739,510 |
| Gaming | | | | | | | | | |
| AP Gaming I, LLC | First Lien Revolver | LIBOR (M) | - | 8.25% | 8.43% | 12/20/2018 | \$- | | (1,914,221) |
| Grocery Stores | | | | | | | | | |
| Bashas, Inc. | First Lien FILO Term Loan | LIBOR (M) | 1.50% | 7.00% | 8.50% | 10/8/2019 | \$10,072,332 | 10,033,799 | |
| The Great Atlantic & Pacific Tea Company, Inc. | Term Loan Tranche B | LIBOR (M) | 1.00% | 8.85% | 9.85% | 9/17/2019 | \$21,295,110 | 20,998,759 | 31,032,558 |
| Hospitals | | | | | | | | | |
| Bioventus, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 4/10/2020 | \$11,000,000 | 10,811,136 | |
| KPC Healthcare, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 9.25% | 10.25% | 8/28/2020 | \$17,201,857 | 16,819,818 | |
| RegionalCare Hospital Partners, Inc. | Second Lien Term Loan | LIBOR (M) | 1.00% | 9.50% | 10.50% | 10/23/2019 | \$21,017,525 | 20,765,157 | |
| UBC Healthcare Analytics, Inc. (Evidera) | First Lien Term Loan | LIBOR (Q) | 1.00% | 9.00% | 10.00% | 7/1/2018 | \$4,105,044 | 4,084,519 | 52,480,630 |
| Insurance Carriers | | | | | | | | | |
| Acrisure, LLC | Second Lien Incremental Notes | LIBOR (Q) | 1.00% | 8.25% | 9.25% | 11/19/2022 | \$2,400,188 | 2,261,319 | |
| Acrisure, LLC | Second Lien Notes | LIBOR (Q) | 1.00% | 8.25% | 9.25% | 11/19/2022 | \$12,720,998 | 12,540,755 | |
| JSS Holdings, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 6.25% | 7.25% | 8/31/2021 | \$4,000,000 | 3,920,730 | |
| US Apple Holdco, LLC (Ventiv Technology) | First Lien Term Loan | LIBOR (Q) | 0.50% | 11.50% | 12.00% | 8/29/2019 | \$20,000,000 | 19,339,345 | 38,062,149 |
| Insurance Related Activities | | | | | | | | | |
| Confie Seguros Holding II Co. | Second Lien Term Loan | LIBOR (M) | 1.25% | 9.00% | 10.25% | 5/8/2019 | \$11,061,809 | 10,946,807 | |
| Lessors of Nonfinancial Licenses | | | | | | | | | |
| ABG Intermediate Holdings 2, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 8.50% | 9.50% | 5/27/2022 | \$15,990,714 | 15,849,370 | |
| | | | 1.00% | 8.50% | 9.50% | 5/27/2022 | \$3,474,715 | 3,440,443 | |

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| | | | | | | | | | |
|---|--|-----------|-------|--------|--------|------------|--------------|----------|------------|
| ABG Intermediate Holdings 2, LLC | Second Lien Incremental Term Loan | LIBOR (Q) | | | | | | | |
| ABG Intermediate Holdings 2, LLC | Second Lien Incremental Delayed Draw Term Loan | LIBOR (Q) | 1.00% | 8.50% | 9.50% | 5/27/2022 | \$- | (5,199) | 19,284,614 |
| Management, Scientific, and Technical Consulting Services | | | | | | | | | |
| Dodge Data & Analytics, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 8.75% | 9.75% | 10/31/2019 | \$24,877,617 | | 24,302,704 |
| Motion Picture and Video Industries | | | | | | | | | |
| CORE Entertainment, Inc. | First Lien Term Loan | Fixed | - | 9.00% | 9.00% | 6/21/2017 | \$9,462,231 | | 9,419,032 |
| CORE Entertainment, Inc. | Second Lien Term Loan | Fixed | - | 13.50% | 13.50% | 6/21/2018 | \$7,569,785 | | 7,700,187 |
| Nondepository Credit Intermediation | | | | | | | | | |
| Caribbean Financial Group (Cayman Islands) | Sr Secured Notes | Fixed | - | 11.50% | 11.50% | 11/15/2019 | \$26,975,000 | | 26,821,462 |
| Trade Finance Funding I, Ltd. (Cayman Islands) | Secured Class B Notes | Fixed | - | 10.75% | 10.75% | 11/13/2018 | \$15,084,000 | | 15,084,000 |
| Oil and Gas Extraction | | | | | | | | | |
| Jefferson Gulf Coast Energy Partners, LLC | First Lien Term Loan B | LIBOR (M) | 1.00% | 8.50% | 9.50% | 2/27/2018 | \$14,850,000 | | 14,741,697 |
| MD America Energy, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 8.50% | 9.50% | 8/4/2019 | \$10,000,000 | | 9,594,734 |
| Other Information Services | | | | | | | | | |
| TCH-2 Holdings, LLC (TravelClick) | Second Lien Term Loan | LIBOR (M) | 1.00% | 7.75% | 8.75% | 11/6/2021 | \$19,988,392 | | 19,727,803 |
| Other Manufacturing | | | | | | | | | |
| AGY Holding Corp. | Sr Secured Term Loan | Fixed | - | 12.00% | 12.00% | 9/15/2016 | \$4,869,577 | | 4,869,577 |
| AGY Holding Corp. | Second Lien Notes | Fixed | - | 11.00% | 11.00% | 11/15/2016 | \$9,268,000 | | 7,586,317 |
| Boomerang Tube, LLC | Second Lien Term Loan | LIBOR (Q) | 1.50% | 9.50% | 11.00% | 10/11/2017 | \$3,825,453 | | 4,010,758 |
| Boomerang Tube, LLC | Super Priority Debtor-in-Possession | LIBOR (M) | - | 11.00% | 11.20% | 10/7/2015 | \$1,124,444 | | 1,123,221 |
| | | | | | | | | | 17,589,873 |

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Other

Telecommunications

Securus

Technologies, Inc.

Second Lien Term
Loan

LIBOR
(Q)

1.25%

7.75%

9.00%

4/30/2021

\$14,000,000

13,860,000

4

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Value |
|-----------------------------------|-----------------------------------|-----------|-------|--------|--------------|------------|--------------|-------------|-------------|
| <u>Debt Investments</u> | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | |
| Other Publishing | | | | | | | | | |
| MediMedia USA, Inc. | First Lien Revolver | LIBOR (M) | - | 6.75% | 6.95% | 5/20/2018 | \$4,107,500 | \$3,477,158 | \$3,477,158 |
| MediMedia USA, Inc. | First Lien Term Loan | LIBOR (Q) | 1.25% | 6.25% | 7.50% | 11/20/2018 | \$5,681,239 | 5,575,226 | 5,575,226 |
| | | | | | | | | 9,052,384 | 9,052,384 |
| Pharmaceuticals | | | | | | | | | |
| Lantheus Medical Imaging, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 6.00% | 7.00% | 6/30/2022 | \$5,985,000 | 5,891,843 | 5,891,843 |
| Plastics | | | | | | | | | |
| Manufacturing | | | | | | | | | |
| Iracore International, Inc. | Sr Secured Notes | Fixed | - | 9.50% | 9.50% | 6/1/2018 | \$13,600,000 | 13,600,000 | 13,600,000 |
| Radio and Television | | | | | | | | | |
| Broadcasting | | | | | | | | | |
| Fuse, LLC | Sr Secured Notes | Fixed | - | 10.38% | 10.38% | 7/1/2019 | \$7,312,000 | 7,312,000 | 7,312,000 |
| NEP/NCP Holdco, Inc. | Second Lien Term Loan | LIBOR (M) | 1.25% | 8.75% | 10.00% | 7/22/2020 | \$10,000,000 | 10,018,251 | 10,018,251 |
| The Tennis Channel, Inc. | First Lien Term Loan | LIBOR (Q) | - | 8.50% | 8.81% | 5/29/2017 | \$32,355,355 | 32,152,571 | 32,152,571 |
| | | | | | | | | 49,482,822 | 49,482,822 |
| Real Estate Leasing | | | | | | | | | |
| Hunt Companies, Inc. | Senior Secured Notes | Fixed | - | 9.63% | 9.63% | 3/1/2021 | \$3,584,000 | 3,547,045 | 3,547,045 |
| Real Estate related Activities | | | | | | | | | |
| Daymark Financial Acceptance, LLC | First Lien Delayed Draw Term Loan | LIBOR (Q) | - | 9.50% | 9.71% | 1/12/2020 | \$5,000,000 | 4,597,938 | 4,597,938 |
| Greystone Select Holdings, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 8.00% | 9.00% | 3/26/2021 | \$16,346,867 | 16,158,916 | 16,158,916 |
| | | | | | | | | 20,756,854 | 20,756,854 |

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Restaurants

| | | | | | | | | | |
|----------------------------|--|-------|---|-------|-------|-----------|-------------|-----------|---|
| RM OpCo, LLC (Real Mex) | Convertible Second Lien Term Loan Tranche B-1 | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$1,745,268 | 1,737,600 | 1 |
| RM OpCo, LLC (Real Mex) | First Lien Term Loan Tranche A | Fixed | - | 7.00% | 7.00% | 3/21/2016 | \$3,764,259 | 3,762,749 | 3 |
| RM OpCo, LLC (Real Mex) | Second Lien Term Loan Tranche B | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$8,696,073 | 8,696,073 | 5 |
| RM OpCo, LLC (Real Mex) | Second Lien Term Loan Tranche B-1 | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$2,738,690 | 2,723,268 | 2 |
| RM OpCo, LLC (Real Mex) | Sr Convertible Second Lien Term Loan B | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$1,336,498 | 1,336,478 | 1 |

18,256,168 1

Retail

| | | | | | | | | | |
|-----------------------------------|---------------------------------|--------------|-------|--------|--------|-----------|--------------|------------|---|
| Kenneth Cole Productions, Inc. | First Lien FILO Term Loan | LIBOR (M) | 1.00% | 8.50% | 9.50% | 9/25/2020 | \$13,409,090 | 13,265,477 | 1 |
| Connexity, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 2/13/2020 | \$6,435,000 | 6,435,000 | 6 |

19,700,477 1

Satellite

Telecommunications

| | | | | | | | | | |
|--|---------------------|-------|---|--------|--------|-----------|-------------|-----------|---|
| Avanti Communications Group, PLC (United Kingdom) | Sr Secured Notes | Fixed | - | 10.00% | 10.00% | 10/1/2019 | \$9,393,000 | 9,393,000 | 8 |
|--|---------------------|-------|---|--------|--------|-----------|-------------|-----------|---|

Scientific Research and
Development Services

| | | | | | | | | | |
|------------------------------|---|--------------|-------|--------|--------|-----------|--------------|------------|---|
| Arcadia Biosciences, Inc. | Sr Secured Term Loan (3.0% Exit Fee) | LIBOR (M) | 0.28% | 8.72% | 9.00% | 11/1/2018 | \$20,000,000 | 19,891,113 | 1 |
| BPA Laboratories, Inc. | Senior Secured Notes | Fixed | - | 12.25% | 12.25% | 4/1/2017 | \$38,932,000 | 39,001,750 | 4 |

58,892,863 6

Software Publishing

| | | | | | | | | | |
|---|--------------------------|--------------|-------|-------------------|--------|-----------|--------------|------------|---|
| Acronis International GmbH (Switzerland) | First Lien Term Loan | LIBOR (Q) | 1.00% | 13.00% | 14.00% | 2/21/2017 | \$29,868,216 | 29,733,384 | 2 |
| ArcServe (USA), LLC | Second Lien Term Loan | LIBOR (Q) | 0.50% | 8.50% | 9.00% | 1/31/2020 | \$30,000,000 | 29,506,047 | 2 |
| BlackLine Systems, Inc. | First Lien Term Loan | LIBOR (Q) | 1.50% | 0.4% Cash+7.6% | 9.50% | 9/25/2018 | \$14,375,100 | 13,690,455 | 1 |

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| | | | | PIK 3.75% | | | | | | |
|-----------------------------------|--|-----------|-------|----------------|--------|------------|--------------|-------------|---|--|
| Coreone Technologies, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | Cash+5% PIK | 9.75% | 9/4/2018 | \$14,617,894 | 14,442,148 | 1 | |
| Edmentum, Inc. | Jr Revolving Facility | Fixed | - | 5.00% | 5.00% | 6/9/2020 | \$- | - | 3 | |
| Edmentum Ultimate Holdings, LLC | Sr PIK Notes | Fixed | - | 8.50% | 8.50% | 6/9/2020 | \$2,557,459 | 2,557,459 | 2 | |
| Edmentum Ultimate Holdings, LLC | Jr PIK Notes | Fixed | - | 10.00% | 10.00% | 6/9/2020 | \$11,500,853 | 10,860,493 | 1 | |
| Fidelis Acquisitionco, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 8.00% | 9.00% | 11/4/2019 | \$41,710,961 | 40,933,708 | 4 | |
| Fidelis Acquisitionco, LLC | Revolver | LIBOR (Q) | 1.00% | 8.00% | 9.00% | 11/4/2019 | \$3,182,143 | 3,182,143 | 3 | |
| SoundCloud Ltd. (United Kingdom) | Sr Secured Term Loan | LIBOR (Q) | - | 10.72% | 11.00% | 10/1/2018 | \$22,535,714 | 22,261,446 | 2 | |
| Virgin Pulse Inc. | First Lien Term Loan | LIBOR (Q) | - | 8.00% | 8.31% | 5/21/2020 | \$7,500,000 | 7,393,672 | 7 | |
| | | | | | | | | 174,560,955 | 1 | |
| Textile Furnishings Mills | | | | | | | | | | |
| Lexmark Carpet Mills, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 12/19/2019 | \$25,000,000 | 25,000,000 | 2 | |
| Lexmark Carpet Mills, Inc. | First Lien Term Loan B | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 12/19/2019 | \$8,575,581 | 8,368,998 | 8 | |
| | | | | | | | | 33,368,998 | 3 | |
| Utility System Construction | | | | | | | | | | |
| Kawa Solar Holdings Limited | Revolving Credit Facility | Fixed | - | 8.00% | 8.00% | 7/2/2017 | \$25,000,000 | 25,000,000 | 2 | |
| Wired Telecommunications Carriers | | | | | | | | | | |
| Alpheus Communications, LLC | First Lien Delayed Draw FILO Term Loan | LIBOR (Q) | 1.00% | 6.92% | 7.92% | 5/31/2018 | \$710,370 | 694,744 | 7 | |
| Alpheus Communications, LLC | First Lien Delayed Draw FILO Term Loan | LIBOR (Q) | 1.00% | 6.92% | 7.92% | 5/31/2018 | \$365,586 | 361,951 | 3 | |
| Alpheus Communications, LLC | First Lien FILO Term Loan | LIBOR (Q) | 1.00% | 6.92% | 7.92% | 5/31/2018 | \$8,041,921 | 7,961,973 | 8 | |
| Integra Telecom Holdings, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.25% | 8.50% | 9.75% | 2/22/2020 | \$13,231,193 | 13,028,390 | 1 | |
| | | | 1.00% | 7.13% | 8.13% | 8/31/2020 | \$4,000,000 | 3,941,178 | 3 | |

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| | | | | | | | | | |
|---|--------------------------|-----------|-------|-------|--------|-----------|-----------------|---------------|---|
| Oxford County Telephone and Telegraph Company | First Lien Term Loan | LIBOR (Q) | | | | | | 25,988,236 | 2 |
| Wireless Telecommunications Carriers | | | | | | | | | |
| Gogo, LLC | First Lien Term Loan | LIBOR (Q) | 1.50% | 9.75% | 11.25% | 3/21/2018 | \$33,045,233 | 33,078,035 | 3 |
| Gogo, LLC | First Lien Term Loan B-2 | LIBOR (Q) | 1.00% | 6.50% | 7.50% | 3/21/2018 | \$5,453,923 | 5,379,264 | 5 |
| | | | | | | | | 38,457,299 | 3 |
| Total Debt | | | | | | | | | |
| Investments | | | | | | | \$1,246,160,207 | 1,250,675,027 | 1 |

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref Floor Spread | Total Coupon | Maturity | Shares | Cost | Value | % of Portfolio | Notes |
|---|----------------------------|------------------|--------------|----------|--------|-----------|-----------|----------------|-------|
| <u>Equity Securities</u> | | | | | | | | | |
| Advertising and Public Relations Services | | | | | | | | | |
| InMobi, Inc. (Singapore) | Warrants to Purchase Stock | | | | 17,578 | \$230,569 | \$230,569 | 0.02% | C/E |
| Air Transportation Aircraft Leased to Delta Air Lines, Inc. | | | | | | | | | |
| N913DL | Trust Beneficial Interests | | | | 1,237 | 84,261 | 110,116 | 0.01% | E/F |
| N918DL | Trust Beneficial Interests | | | | 995 | 87,654 | 129,800 | 0.01% | E/F |
| N954DL | Trust Beneficial Interests | | | | 923 | 98,474 | 76,429 | 0.01% | E/F |
| N955DL | Trust Beneficial Interests | | | | 889 | 95,752 | 108,833 | 0.01% | E/F |
| N956DL | Trust Beneficial Interests | | | | 897 | 95,687 | 105,056 | 0.01% | E/F |
| N957DL | Trust Beneficial Interests | | | | 889 | 96,178 | 105,915 | 0.01% | E/F |
| N959DL | Trust Beneficial Interests | | | | 880 | 96,670 | 106,796 | 0.01% | E/F |
| N960DL | Trust Beneficial Interests | | | | 857 | 98,587 | 106,411 | 0.01% | E/F |
| N961DL | Trust Beneficial Interests | | | | 872 | 98,023 | 101,805 | 0.01% | E/F |

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| | | | | | | |
|--|--|-----------|-----------|------------|-------|-----|
| N976DL | Trust Beneficial Interests | 1,067 | 89,551 | 101,078 | 0.01% | E/F |
| Aircraft Leased to United Airlines, Inc. | | | | | | |
| United N659UA-767, LLC (N659UA) | Trust Beneficial Interests | 619 | 2,980,177 | 3,310,735 | 0.25% | E/F |
| United N661UA-767, LLC (N661UA) | Trust Beneficial Interests | 600 | 2,906,721 | 3,239,103 | 0.25% | E/F |
| Flight Options Holdings I, Inc. (One Sky) | Warrants to Purchase Common Stock | 1,843 | 1,162,350 | 3,665,844 | 0.28% | C/E |
| | | | 7,990,085 | 11,267,921 | 0.88% | |
| Business Support Services | | | | | | |
| Findly Talent, LLC | Membership Units | 708,229 | 230,938 | 162,184 | 0.01% | C/E |
| STG-Fairway Holdings, LLC (First Advantage) | Class A Units | 841,479 | 325,432 | 2,491,619 | 0.19% | C/E |
| | | | 556,370 | 2,653,803 | 0.20% | |
| Chemicals | | | | | | |
| Green Biologics, Inc. | Warrants to Purchase Stock | 376,147 | 272,594 | 163,323 | 0.01% | C/E |
| Communications | | | | | | |
| Equipment Manufacturing Wasserstein Cosmos Co-Invest, L.P. (Globecomm) | Limited Partnership Units | 5,000,000 | 5,000,000 | 4,198,500 | 0.32% | B/C |
| Computer Systems Design and Related Services | | | | | | |
| Waterfall International, Inc. | Series B Preferred Stock | 1,428,571 | 1,000,000 | 1,000,000 | 0.08% | C/E |
| Waterfall International, Inc. | Warrants to Purchase Stock | 857,143 | 57,026 | 57,000 | - | C/E |
| | | | 1,057,026 | 1,057,000 | 0.08% | |

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| | | | | | | |
|--------------------------------------|-----------------------------------|-----------|------------|-----------|-------|-----|
| Data Processing and Hosting Services | | | | | | |
| Anacomp, Inc. | Class A Common Stock | 1,255,527 | 26,711,048 | 1,581,964 | 0.12% | C/E |
| Rightside Group, Ltd. | Warrants | 498,855 | 2,778,622 | 835,058 | 0.06% | C/E |
| | | | 29,489,670 | 2,417,022 | 0.18% | |
| Electrical Equipment Manufacturing | | | | | | |
| NEXTracker, Inc. | Series B Preferred Stock | 558,884 | - | 2,909,383 | 0.22% | C/E |
| NEXTracker, Inc. | Series C Preferred Stock | 17,640 | - | 91,830 | 0.01% | C/E |
| | | | - | 3,001,213 | 0.23% | |
| Electronic Component Manufacturing | | | | | | |
| Soraa, Inc. | Warrants to Purchase Common Stock | 315,000 | 408,987 | 143,892 | 0.01% | C/E |
| Equipment Leasing | | | | | | |
| Essex Ocean II, LLC | Membership Units | 199,430 | 199,430 | 199,430 | 0.02% | C/E |
| Financial Investment Activities | | | | | | |
| Marsico Holdings, LLC | Common Interest Units | 168,698 | 172,694 | 2,530 | - | C/E |
| Metal and Mineral Mining | | | | | | |
| EPMC HoldCo, LLC | Membership Units | 1,312,720 | - | 682,614 | 0.05% | B/E |
| Other Manufacturing | | | | | | |
| KAGY Holding Company, Inc. | Series A Preferred Stock | 9,778 | 1,091,200 | 4,365,325 | 0.34% | B/C |
| Precision Holdings, LLC | Class C Membership Interest | 33 | - | 874 | - | C/E |

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| | | | | | | |
|---|---|------------|-----------|-----------|-------|-----|
| Radio and Television Broadcasting | | | 1,091,200 | 4,366,199 | 0.34% | |
| Fuse Media, LLC | Warrants to Purchase Common Stock | 233,470 | 300,322 | 23 | - | C/E |
| Restaurants RM Holdco, LLC (Real Mex) | Equity Participation | 24 | - | - | - | B/C |
| RM Holdco, LLC (Real Mex) | Membership Units | 13,161,000 | 2,010,777 | - | - | B/C |
| | | | 2,010,777 | - | - | |
| Retail Shop Holding, LLC (Connexity) | Class A Units | 507,167 | 480,049 | 278,739 | 0.02% | C/E |
| Shop Holding, LLC (Connexity) | Warrants to Purchase Class A Units | 326,691 | - | 7,569 | - | C/E |
| | | | 480,049 | 286,308 | 0.02% | |

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TCP Capital Corp.

Consolidated Schedule of Investments (Unaudited) (Continued)

September 30, 2015

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument Ref Floor Spread | Total Coupon | Maturity | Shares | Cost | Value | % of Portfolio |
|--|--------------------------------------|--------------|----------|-----------|-----------------|-----------------|----------------|
| <u>Equity Securities</u> | | | | | | | |
| <u>(continued)</u> | | | | | | | |
| Software Publishing | | | | | | | |
| Blackline Intermediate, Inc. | Warrants to Purchase Common Stock | | | 1,232,731 | \$522,678 | \$1,098,733 | 0.08 |
| Edmentum Ultimate Holdings, LLC | Class A Common Units | | | 159,515 | 680,226 | 680,218 | 0.05 |
| SoundCloud, Ltd. (United Kingdom) | Warrants to Purchase Preferred Stock | | | 676,070 | 56,487 | 54,356 | - |
| Wired Telecommunications Carriers | | | | | 1,259,391 | 1,833,307 | 0.13 |
| Integra Telecom, Inc. | Common Stock | | | 1,274,522 | 8,433,884 | 5,269,511 | 0.40 |
| Integra Telecom, Inc. V Telecom | Warrants | | | 346,939 | 19,920 | 221,174 | 0.02 |
| Investment S.C.A. (Vivacom) (Luxembourg) | Common Shares | | | 1,393 | 3,236,256 | 3,488,407 | 0.27 |
| | | | | | 11,690,060 | 8,979,092 | 0.69 |
| Total Equity Securities | | | | | 62,209,224 | 41,482,746 | 3.18 |
| Total Investments | | | | | \$1,312,884,251 | \$1,269,160,639 | |
| <u>Cash and Cash Equivalents</u> | | | | | | | |
| Cash Denominated in Foreign Currencies | | | | | | 295,487 | 0.02 |
| | | | | | | 34,287,382 | 2.63 |

| | | |
|--|-----------------|------|
| Cash Held on Account at Various Institutions Cash and Cash Equivalents | 34,582,869 | 2.65 |
| Total Cash and Investments | \$1,303,743,508 | 100. |

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure. At September 30, 2015, such hedging activities included the derivatives listed at the end of the Consolidated Schedule of Investments. (See Note 2)

(E) Restricted security. (See Note 2)

Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the (F) outstanding voting securities of this issuer). Investment is not more than 50% owned nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.

(G) Investment has been segregated to collateralize certain unfunded commitments.

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

(I) Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

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

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

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

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

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$423,348,068 and \$305,505,796 respectively, for the nine months ended September 30, 2015. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of September 30, 2015 was \$1,268,961,209, or 97.3% of total cash and investments of the Company.

Options and swaps at September 30, 2015 were as follows:

| Investment | Notional Amount | Fair Value |
|---|--------------------|-------------|
| Interest Rate Cap with Deutsche Bank AG, 4%, expires 5/15/2016 | \$25,000,000 | \$- |
| Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 3/31/2017 | \$16,401,467 | \$2,868,748 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Value |
|--|---|----------------|-------|--------|-----------------|------------|--------------|------------|------------|
| <u>Debt</u> | | | | | | | | | |
| <u>Investments (A)</u> | | | | | | | | | |
| Accounting, Tax Preparation, Bookkeeping, and Payroll Services | | | | | | | | | |
| EGS Holdings, Inc. | Holdco PIK Notes | LIBOR (A) | 3.00% | 10.00% | 13.00% | 10/3/2018 | \$57,238 | \$57,238 | \$56,237 |
| Expert Global Solutions, LLC | Second Lien Term Loan | LIBOR (Q) | 1.50% | 11.00% | 12.50% | 10/3/2018 | \$7,124,902 | 6,959,593 | 7,096,403 |
| | | | | | | | | 7,016,831 | 7,152,640 |
| Activities Related to Real Estate | | | | | | | | | |
| Greystone Select Holdings, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 8.00% | 9.00% | 3/26/2021 | \$16,470,084 | 16,261,549 | 16,511,250 |
| Advertising, Public Relations, and Related Services | | | | | | | | | |
| Doubleplay III Limited (United Kingdom) | First Lien Facility A1 Term Loan | EURIBOR (Q) | 1.25% | 6.25% | 7.50% | 3/18/2018 | €13,165,705 | 16,791,646 | 15,450,030 |
| Artificial Synthetic Fibers and Filaments Manufacturing | | | | | | | | | |
| AGY Holding Corp. | Sr Secured Term Loan | Fixed | - | 12.00% | 12.00% | 9/15/2016 | \$4,869,577 | 4,869,577 | 4,869,577 |
| AGY Holding Corp. | Second Lien Notes | Fixed | - | 11.00% | 11.00% | 11/15/2016 | \$9,268,000 | 7,586,318 | 9,017,764 |
| | | | | | | | | 12,455,895 | 13,887,340 |
| Basic Chemical Manufacturing | | | | | | | | | |
| BioAmber, Inc. | Sr Secured Term Loan | LIBOR (M) | 0.23% | 9.27% | 9.50% | 12/1/2017 | \$25,000,000 | 24,505,108 | 25,050,000 |
| Green Biologics, Inc. | Sr Secured Term Loan | Prime Rate | 3.25% | 7.75% | 11.00% | 5/1/2018 | \$15,000,000 | 14,503,743 | 14,730,000 |

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| | | | | | | | | | |
|--|---------------------------|-----------|-------|-------------------|--------|------------|--------------|------------|------------|
| M&G Chemicals S.A. (Luxembourg) | Sr Secured Term Loan | LIBOR (Q) | 0.23% | 8.50% | 8.73% | 3/18/2016 | \$15,632,077 | 15,632,077 | 15,632,077 |
| PeroxyChem, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 6.50% | 7.50% | 2/28/2020 | \$8,932,500 | 8,783,187 | 8,932,500 |
| VitAG Holdings, LLC | Sr Secured Term Loan | LIBOR (M) | 0.23% | 10.27% | 10.50% | 2/1/2018 | \$7,700,000 | 7,555,099 | 7,646,000 |
| Beverage Manufacturing Carolina Beverage Group, LLC | Secured Notes | Fixed | - | 10.63% | 10.63% | 8/1/2018 | \$4,780,000 | 4,780,000 | 4,851,700 |
| Business Support Services Enerwise Global Technologies, Inc. | Sr Secured Revolving Loan | LIBOR (Q) | 0.23% | 8.52% | 8.75% | 11/30/2017 | \$- | (106,405) | (60,000) |
| Business Support Services Enerwise Global Technologies, Inc. | Sr Secured Term Loan | LIBOR (Q) | 0.23% | 9.27% | 9.50% | 11/30/2019 | \$17,500,000 | 17,158,899 | 17,360,000 |
| Business Support Services STG-Fairway Acquisitions, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.25% | 9.25% | 10.50% | 8/28/2019 | \$14,643,455 | 14,036,428 | 14,863,100 |
| Chemical Manufacturing Archroma | Term Loan B | LIBOR (Q) | 1.25% | 8.25% | 9.50% | 9/30/2018 | \$19,896,228 | 19,593,258 | 19,747,000 |
| Communications Equipment Manufacturing Globecomm Systems, Inc. | First Lien Term Loan | LIBOR (Q) | 1.25% | 7.63% | 8.88% | 12/11/2018 | \$14,850,000 | 14,701,500 | 14,656,950 |
| Computer Equipment Manufacturing ELO Touch Solutions, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.50% | 10.50% | 12.00% | 12/1/2018 | \$12,000,000 | 11,638,008 | 11,520,000 |
| Computer Systems Design and Related Services Autoalert, LLC | First Lien Term Loan | LIBOR (Q) | 0.25% | 4.75% Cash+4% PIK | 9.00% | 3/31/2019 | \$30,926,035 | 30,399,049 | 31,080,600 |
| Computer Systems Design and Related Services Blue Coat Systems, Inc. | First Lien Revolver | LIBOR (Q) | 1.00% | 3.50% | 4.50% | 5/31/2018 | \$- | (727,290) | (660,240) |
| | | | 1.00% | 8.50% | 9.50% | 6/28/2020 | \$15,000,000 | 14,878,125 | 14,775,000 |

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| | | | | | | | | | | |
|--|---------------------------|-----------|-------|-----------|--------|------------|--------------|------------|-----------|--|
| Blue Coat Systems, Inc. | Second Lien Term Loan | LIBOR (Q) | | | | | | | | |
| MSC Software Corporation | Second Lien Term Loan | LIBOR (M) | 1.00% | 7.50% | 8.50% | 5/29/2021 | \$11,993,035 | 11,880,123 | 11,753,17 | |
| OnX Enterprise Solutions, Ltd. (Canada) | First Lien Term Loan B | LIBOR (Q) | - | 8.00% | 8.23% | 9/3/2018 | \$2,361,467 | 2,361,467 | 2,341,394 | |
| OnX Enterprise Solutions, Ltd. (Canada) | First Lien Term Loan | LIBOR (Q) | - | 7.00% | 7.23% | 9/3/2018 | \$10,533,333 | 10,415,821 | 10,259,46 | |
| OnX USA, LLC | First Lien Term Loan B | LIBOR (Q) | - | 8.00% | 8.23% | 9/3/2018 | \$4,722,933 | 4,722,933 | 4,682,788 | |
| OnX USA, LLC | First Lien Term Loan | LIBOR (Q) | - | 7.00% | 7.23% | 9/3/2018 | \$5,266,667 | 5,211,626 | 5,129,733 | |
| Vistronix, LLC | First Lien Revolver | LIBOR (Q) | 0.50% | 8.00% | 8.50% | 12/4/2018 | \$- | (5,809) | - | |
| Vistronix, LLC | First Lien Term Loan | LIBOR (M) | 0.50% | 8.00% | 8.50% | 12/4/2018 | \$6,535,333 | 6,466,509 | 6,551,671 | |
| Websense, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.00% | 7.25% | 8.25% | 12/27/2020 | \$7,200,000 | 7,164,000 | 6,930,000 | |
| Cut and Sew Apparel Manufacturing | | | | | | | | 92,766,554 | 92,843,65 | |
| Jones Apparel, LLC | First Lien FILO Term Loan | LIBOR (M) | 1.00% | 9.60% | 10.60% | 4/8/2019 | \$14,329,403 | 14,202,296 | 14,429,70 | |
| Data Processing, Hosting, and Related Services | | | | | | | | | | |
| Asset International, Inc. | Delayed Draw Term Loan | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$- | (42,880) | (29,158 | |
| Asset International, Inc. | Revolver | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$484,752 | 475,358 | 477,885 | |
| Asset International, Inc. | First Lien Term Loan | LIBOR (M) | 1.00% | 7.00% | 8.00% | 7/31/2020 | \$8,191,755 | 8,037,946 | 8,122,125 | |
| Rightside Group, Ltd. | Second Lien Term Loan | LIBOR (Q) | 0.50% | 8.75% | 9.25% | 8/6/2019 | \$5,000,000 | 4,042,549 | 4,775,000 | |
| The Telx Group, Inc. | Senior Notes | Fixed | - | 13.5% PIK | 13.50% | 7/9/2021 | \$4,446,651 | 4,446,651 | 4,611,177 | |
| United TLD Holdco, Ltd. (Cayman | Second Lien Term Loan | LIBOR (Q) | 0.50% | 8.75% | 9.25% | 8/6/2019 | \$10,000,000 | 8,085,098 | 9,550,000 | |

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Islands)

| | | | | | | | | | |
|--|-----------------------|-----------|-------|--------|--------|------------|--------------|------------|-----------|
| | | | | | | | | 25,044,722 | 27,507,02 |
| Electrical Equipment and Component Manufacturing | | | | | | | | | |
| NEXTracker, Inc. | Sr Secured Revolver | LIBOR (M) | - | 8.00% | 8.00% | 7/1/2016 | \$2,500,000 | 508,086 | 1,126,250 |
| NEXTracker, Inc. | Sr Secured Term Loan | LIBOR (M) | - | 9.50% | 9.50% | 12/16/2016 | \$2,500,000 | 2,216,771 | 2,303,750 |
| Palladium Energy, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 9.00% | 10.00% | 12/26/2017 | \$16,153,317 | 15,942,351 | 16,234,08 |
| | | | | | | | | 18,667,208 | 19,664,08 |
| Electrical Equipment Manufacturing | | | | | | | | | |
| API Technologies Corp. | First Lien Term Loan | LIBOR (Q) | 1.50% | 7.50% | 9.00% | 2/6/2018 | \$6,687,055 | 6,631,621 | 6,610,154 |
| Fabricated Metal Product Manufacturing | | | | | | | | | |
| Constellation Enterprises, LLC | First Lien Notes | Fixed | - | 10.63% | 10.63% | 2/1/2016 | \$2,900,000 | 2,858,907 | 2,392,500 |
| Financial Investment Activities | | | | | | | | | |
| Institutional Shareholder Services, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.00% | 7.50% | 8.50% | 4/30/2022 | \$6,471,492 | 6,411,582 | 6,374,420 |
| Marsico Capital Management | First Lien Term Loan | LIBOR (M) | - | 5.00% | 5.25% | 12/31/2022 | \$10,500,040 | 13,220,948 | 2,274,991 |
| | | | | | | | | 19,632,530 | 8,649,411 |

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Value |
|--|--|--------------|-------|--------|--------------|------------|--------------|-------------|-------------|
| <u>Debt Investments</u> | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | |
| Full-Service Restaurants | | | | | | | | | |
| RM OpCo, LLC | Convertible Second Lien Term Loan Tranche B-1 | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$1,636,314 | \$1,614,711 | \$1,636,314 |
| RM OpCo, LLC | First Lien Term Loan Tranche A | Fixed | - | 7.00% | 7.00% | 3/21/2016 | \$3,900,025 | 3,898,911 | 3,900,025 |
| RM OpCo, LLC | Second Lien Term Loan Tranche B | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$8,153,188 | 8,153,188 | 6,457,314 |
| RM OpCo, LLC | Second Lien Term Loan Tranche B-1 | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$2,567,717 | 2,546,166 | 2,567,717 |
| RM OpCo, LLC | Sr Convertible Second Lien Term Loan B | Fixed | - | 8.50% | 8.50% | 3/30/2018 | \$631,164 | 631,164 | 631,164 |
| | | | | | | | | 16,844,140 | 15,192,214 |
| Gaming Industries | | | | | | | | | |
| AP Gaming I, LLC | First Lien Revolver | LIBOR (Q) | - | 8.25% | 8.41% | 12/20/2018 | \$5,000,000 | 2,931,716 | 2,812,500 |
| AP Gaming I, LLC | First Lien Term Loan B | LIBOR (Q) | 1.00% | 8.25% | 9.25% | 12/20/2020 | \$14,850,000 | 14,450,326 | 14,850,000 |
| | | | | | | | | 17,382,042 | 17,662,500 |
| General Medical and Surgical Hospitals | | | | | | | | | |
| RegionalCare Hospital Partners, Inc. | Second Lien Term Loan | LIBOR (M) | 1.00% | 9.50% | 10.50% | 10/23/2019 | \$21,017,525 | 20,729,782 | 20,964,000 |
| Grocery Stores | | | | | | | | | |
| Bashas, Inc. | First Lien FILO Term | LIBOR (M) | 1.50% | 7.00% | 8.50% | 10/8/2019 | \$10,632,845 | 10,592,167 | 10,616,000 |

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| Loan | | | | | | | | | |
|---|------------------------------|-----------|-------|--------|--------|------------|--------------|------------|------------|
| The Great Atlantic & Pacific Tea Company, Inc. | Term Loan Tranche B | LIBOR (M) | 1.00% | 8.85% | 9.85% | 9/17/2019 | \$20,966,890 | 20,619,519 | 20,945,519 |
| | | | | | | | | 31,211,686 | 31,562,282 |
| Insurance Carriers | | | | | | | | | |
| Acrisure, LLC | Second Lien Additional Notes | LIBOR (Q) | 1.00% | 10.50% | 11.50% | 3/31/2020 | \$2,520,198 | 2,391,227 | 2,527,227 |
| Acrisure, LLC | Second Lien Notes | LIBOR (Q) | 1.00% | 10.50% | 11.50% | 3/31/2020 | \$29,288,298 | 28,725,701 | 29,317,701 |
| US Apple Holdco, LLC | First Lien Term Loan | LIBOR (Q) | 0.50% | 11.50% | 12.00% | 8/29/2019 | \$20,000,000 | 19,247,507 | 19,940,507 |
| | | | | | | | | 50,364,435 | 51,784,435 |
| Insurance Related Activities | | | | | | | | | |
| Confie Seguros Holding II Co. | Second Lien Term Loan | LIBOR (M) | 1.25% | 9.00% | 10.25% | 5/8/2019 | \$7,861,809 | 7,776,100 | 7,859,300 |
| Lessors of Nonfinancial Intangible Assets | | | | | | | | | |
| ABG Intermediate Holdings 2, LLC | Second Lien Term Loan | LIBOR (S) | 1.00% | 8.00% | 9.00% | 5/27/2022 | \$15,990,714 | 15,838,253 | 16,110,253 |
| Lessors of Real Estate | | | | | | | | | |
| Hunt Companies, Inc. | Senior Secured Notes | Fixed | - | 9.63% | 9.63% | 3/1/2021 | \$13,084,000 | 12,935,462 | 13,476,462 |
| Management, Scientific, and Technical Consulting Services | | | | | | | | | |
| Dodge Data & Analytics, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 8.75% | 9.75% | 10/31/2019 | \$27,923,077 | 27,174,478 | 27,853,478 |
| Merchant Wholesalers | | | | | | | | | |
| Envision Acquisition Company, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 8.75% | 9.75% | 11/4/2021 | \$9,079,011 | 8,914,869 | 9,044,869 |
| Motion Picture and Video Industries | | | | | | | | | |
| CORE Entertainment, Inc. | First Lien Term Loan | Fixed | - | 9.00% | 9.00% | 6/21/2017 | \$9,462,231 | 9,402,044 | 8,203,700 |
| CORE Entertainment, Inc. | Second Lien Term Loan | Fixed | - | 13.50% | 13.50% | 6/21/2018 | \$7,569,785 | 7,518,166 | 6,233,700 |
| | | | | | | | | 16,920,210 | 14,437,400 |
| Newspaper, Periodical, Book, and Directory Publishers | | | | | | | | | |
| | | | - | 6.75% | 6.99% | 5/20/2018 | \$3,875,000 | 3,065,963 | 3,596,500 |

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| | | | | | | | | | | |
|--|------------------------|-----------|-------|-----------------|--------|------------|--------------|------------|------------|--|
| MediMedia USA, Inc. | First Lien Revolver | LIBOR (Q) | | | | | | | | |
| MediMedia USA, Inc. | First Lien Term Loan | LIBOR (Q) | 1.25% | 6.75% | 8.00% | 11/20/2018 | \$9,591,911 | 9,372,798 | 9,376,000 | |
| | | | | | | | | 12,438,761 | 12,972,000 | |
| Nondepository Credit Intermediation | | | | | | | | | | |
| Caribbean Financial Group (Cayman Islands) | Sr Secured Notes | Fixed | - | 11.50% | 11.50% | 11/15/2019 | \$10,000,000 | 9,846,274 | 10,300,000 | |
| Trade Finance Funding I, Ltd. (Cayman Islands) | Secured Class B Notes | Fixed | - | 10.75% | 10.75% | 11/13/2018 | \$15,084,000 | 15,084,000 | 15,008,000 | |
| | | | | | | | | 24,930,274 | 25,308,000 | |
| Nonscheduled Air Transportation | | | | | | | | | | |
| One Sky Flight, LLC | Second Lien Term Loan | Fixed | - | 12% Cash+3% PIK | 15.00% | 6/3/2019 | \$18,660,646 | 17,417,637 | 19,220,000 | |
| Oil and Gas Extraction | | | | | | | | | | |
| Jefferson Gulf Coast Energy Partners, LLC | First Lien Term Loan B | LIBOR (M) | 1.00% | 8.00% | 9.00% | 2/27/2018 | \$14,962,500 | 14,824,074 | 14,289,000 | |
| MD America Energy, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 8.50% | 9.50% | 8/4/2019 | \$10,000,000 | 9,533,785 | 9,600,000 | |
| | | | | | | | | 24,357,859 | 23,889,000 | |
| Other Information Services | | | | | | | | | | |
| TCH-2 Holdings, LLC | Second Lien Term Loan | LIBOR (M) | 1.00% | 7.75% | 8.75% | 11/6/2021 | \$19,988,392 | 19,704,946 | 19,288,000 | |
| Other Telecommunications | | | | | | | | | | |
| Securus Technologies, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.25% | 7.75% | 9.00% | 4/30/2021 | \$14,000,000 | 13,860,000 | 13,790,000 | |

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal | Cost | Value |
|---|-----------------------------------|-----------|-------|--------|-----------------|------------|--------------|-------------|-------|
| <u>Debt Investments</u> | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | |
| Petroleum and Coal Products | | | | | | | | | |
| Manufacturing | | | | | | | | | |
| Boomerang Tube, LLC | Second Lien Term Loan | LIBOR (Q) | 1.50% | 9.50% | 11.00% | 10/11/2017 | \$3,825,453 | \$3,778,669 | \$3,3 |
| Plastics Products | | | | | | | | | |
| Manufacturing | | | | | | | | | |
| Iracore International, Inc. | Sr Secured Notes | Fixed | - | 9.50% | 9.50% | 6/1/2018 | \$13,600,000 | 13,600,000 | 8,1 |
| Radio and Television Broadcasting | | | | | | | | | |
| SiTV, Inc. | Sr Secured Notes | Fixed | - | 10.38% | 10.38% | 7/1/2019 | \$7,312,000 | 7,312,000 | 6,8 |
| The Tennis Channel, Inc. | First Lien Term Loan | LIBOR (Q) | - | 8.50% | 8.75% | 5/29/2017 | \$18,250,825 | 17,914,285 | 18 |
| | | | | | | | | 25,226,285 | 25 |
| Retail | | | | | | | | | |
| Kenneth Cole Productions, Inc. | First Lien FILO Term Loan | LIBOR (M) | 1.00% | 10.40% | 11.40% | 9/25/2017 | \$10,590,909 | 10,434,633 | 10 |
| Connexity, Inc. | Second Lien Term Loan Convertible | LIBOR (Q) | - | 12.50% | 12.73% | 3/31/2016 | \$6,630,353 | 6,536,895 | 6,6 |
| Shop Holding, LLC | Promissory Note | Fixed | - | 5.00% | 5.00% | 8/5/2015 | \$73,140 | 73,140 | 67 |
| | | | | | | | | 17,044,668 | 17 |
| Satellite Telecommunications | | | | | | | | | |
| Avanti Communications Group, PLC (United Kingdom) | | | | | | | | | |
| | Sr Secured Notes | Fixed | - | 10.00% | 10.00% | 10/1/2019 | \$9,914,000 | 9,914,000 | 9,4 |
| Scheduled Air Transportation | | | | | | | | | |

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Aircraft Leased to
Delta Air Lines, Inc.

| | | | | | | | | | |
|--------|---------------------------------|-------|---|-------|-------|------------|-----------|---------|----|
| N913DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 3/15/2017 | \$205,106 | 205,106 | 20 |
| N918DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 8/15/2018 | \$313,694 | 313,694 | 32 |
| N954DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 3/20/2019 | \$429,007 | 429,007 | 43 |
| N955DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 6/20/2019 | \$451,165 | 451,165 | 46 |
| N956DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 5/20/2019 | \$448,792 | 448,792 | 45 |
| N957DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 6/20/2019 | \$455,112 | 455,112 | 46 |
| N959DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 7/20/2019 | \$461,378 | 461,378 | 47 |
| N960DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 10/20/2019 | \$483,873 | 483,873 | 49 |
| N961DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 8/20/2019 | \$475,489 | 475,489 | 48 |
| N976DL | Aircraft Secured Mortgage | Fixed | - | 8.00% | 8.00% | 2/15/2018 | \$308,103 | 308,103 | 31 |

Aircraft Leased to
United Airlines, Inc.

| | | | | | | | | | |
|----------------------|-------------------------------------|--------------|---|--------|--------|-----------|--------------|------------|-----|
| N659UA | Aircraft Secured Mortgage | Fixed | - | 12.00% | 12.00% | 2/28/2016 | \$1,582,136 | 1,582,136 | 1,6 |
| N661UA | Aircraft Secured Mortgage | Fixed | - | 12.00% | 12.00% | 5/4/2016 | \$1,788,182 | 1,788,181 | 1,8 |
| Mesa Air Group, Inc. | Acquisition Delayed Draw Loan | LIBOR (M) | - | 7.25% | N/A | 7/15/2022 | \$- | (271,500) | (13 |
| Mesa Air Group, Inc. | Acquisition Loan | LIBOR (M) | - | 7.25% | 7.44% | 7/15/2022 | \$17,810,658 | 17,469,814 | 17 |
| | | | | | | | | 24,600,350 | 25 |

Scientific Research and
Development Services

| | | | | | | | | | |
|---------------------------|----------------------------|-------|---|--------|--------|----------|--------------|------------|----|
| BPA Laboratories, Inc. | Senior Secured Notes | Fixed | - | 12.25% | 12.25% | 4/1/2017 | \$38,932,000 | 39,001,750 | 41 |
|---------------------------|----------------------------|-------|---|--------|--------|----------|--------------|------------|----|

Semiconductor and Other
Electronic Component
Manufacturing

| | | | | | | | | | |
|-----------------|---|--------------|-------|--------|--------|-----------|--------------|--------------|-----|
| Soraa, Inc. | Sr Secured Term Loan | LIBOR (M) | 0.23% | 10.27% | 10.50% | 9/1/2017 | \$22,500,000 | 21,822,817 | 21 |
| SunEdison, Inc. | Senior Secured Letters of Credit | Fixed | - | 3.75% | N/A | 2/28/2017 | \$- | (1,031,717) | (75 |
| | | | | | | | | 20,791,100 | 20 |

Software Publishers

| | | | | | | | | | |
|---|--------------------------|--------------|-------|--------------------------|--------|------------|--------------|-------------|----|
| Acronis International GmbH (Switzerland) | First Lien Term Loan | LIBOR (Q) | 1.00% | 13.00% | 14.00% | 2/21/2017 | \$30,634,068 | 30,429,609 | 28 |
| ArcServe (USA), LLC | Second Lien Term Loan | LIBOR (Q) | 0.50% | 8.50% | 9.00% | 1/31/2020 | \$30,000,000 | 29,439,740 | 30 |
| BlackLine Systems, Inc. | First Lien Term Loan | LIBOR (Q) | 1.50% | 0.4% Cash+7.6% PIK | 9.50% | 9/25/2018 | \$13,577,457 | 12,859,373 | 13 |
| Coreone Technologies, LLC | First Lien Term Loan | LIBOR (Q) | 1.00% | 3.75% Cash+5% PIK | 9.75% | 9/4/2018 | \$14,257,231 | 14,028,252 | 13 |
| Deltek, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.25% | 8.75% | 10.00% | 10/10/2019 | \$15,000,000 | 14,831,408 | 15 |
| Edmentum, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.50% | 9.75% | 11.25% | 5/17/2019 | \$21,500,000 | 21,361,215 | 11 |
| | | | | | | | | 122,949,597 | 11 |

Specialty Hospitals

| | | | | | | | | | |
|-----------------------------------|--------------------------|--------------|-------|--------|--------|-----------|--------------|------------|-----|
| Bioventus, LLC | Second Lien Term Loan | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 4/10/2020 | \$11,000,000 | 10,786,339 | 10 |
| UBC Healthcare Analytics, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 9.00% | 10.00% | 7/1/2018 | \$4,401,081 | 4,379,076 | 4,3 |
| | | | | | | | | 15,165,415 | 15 |

Structured Note
Funds

| | | | | | | | | | |
|--|--|-------|---|--------|--------|----------|--------------|------------|----|
| Magnolia Finance V plc (Cayman Islands) | Asset-Backed Credit Linked Notes | Fixed | - | 13.13% | 13.13% | 8/2/2021 | \$15,000,000 | 15,000,000 | 15 |
|--|--|-------|---|--------|--------|----------|--------------|------------|----|

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Principal or Shares | Cost | Value |
|--------------------------------------|---------------------------|-----------|-------|--------|--------------|------------|---------------------|---------------|---------|
| <u>Debt Investments</u> | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | |
| Textile Furnishings Mills | | | | | | | | | |
| Lexmark Carpet Mills, Inc. | First Lien Term Loan | LIBOR (Q) | 1.00% | 10.00% | 11.00% | 12/19/2019 | \$25,000,000 | \$25,000,000 | \$24,92 |
| Utility System Construction | | | | | | | | | |
| Kawa Solar Holdings Limited | Revolving Credit Facility | Fixed | - | 8.00% | 8.00% | 7/2/2017 | \$25,000,000 | 25,000,000 | 25,00 |
| Wired Telecommunications Carriers | | | | | | | | | |
| Alpheus Communications, LLC | Delayed Draw Term Loan | LIBOR (Q) | 1.00% | 6.92% | 7.92% | 5/31/2018 | \$372,616 | 361,456 | 371,4 |
| Alpheus Communications, LLC | First Lien FILO Term Loan | LIBOR (Q) | 1.00% | 6.92% | 7.92% | 5/31/2018 | \$8,145,022 | 8,064,048 | 8,136 |
| Integra Telecom Holdings, Inc. | Second Lien Term Loan | LIBOR (Q) | 1.25% | 8.50% | 9.75% | 2/22/2020 | \$15,000,000 | 14,737,750 | 14,94 |
| | | | | | | | | 23,163,254 | 23,45 |
| Wireless Telecommunications Carriers | | | | | | | | | |
| Gogo, LLC | First Lien Term Loan | LIBOR (Q) | 1.50% | 9.75% | 11.25% | 6/21/2017 | \$19,083,140 | 18,579,398 | 19,65 |
| Gogo, LLC | First Lien Term Loan B-2 | LIBOR (Q) | 1.00% | 6.50% | 7.50% | 3/21/2018 | \$5,510,950 | 5,414,893 | 5,345 |
| | | | | | | | | 23,994,291 | 25,00 |
| Total Debt Investments | | | | | | | | 1,128,140,974 | 1,113 |

Equity Securities

| | | | | | |
|--|----------------------------|--|-----------|------------|-------|
| Architectural, Engineering, and Related Services | | | | | |
| Alion Science & Technology Corporation | Warrants | | 300 | - | 3 |
| Basic Chemical Manufacturing | | | | | |
| Green Biologics, Inc. | Warrants to Purchase Stock | | 376,147 | 272,594 | 276,8 |
| Business Support Services | | | | | |
| Findly Talent, LLC | Membership Units | | 708,229 | 230,938 | 162,1 |
| STG-Fairway Holdings, LLC | Class A Units | | 841,479 | 943,287 | 2,917 |
| | | | | 1,174,225 | 3,079 |
| Communications Equipment Manufacturing | | | | | |
| Wasserstein Cosmos Co-Invest, L.P. | Limited Partnership Units | | 5,000,000 | 5,000,000 | 4,175 |
| Data Processing, Hosting, and Related Services | | | | | |
| Anacomp, Inc. | Class A Common Stock | | 1,255,527 | 26,711,048 | 916,5 |
| Rightside Group, Ltd. | Warrants | | 498,855 | 2,778,622 | 693,7 |
| | | | | 29,489,670 | 1,610 |
| Electrical Equipment and Component Manufacturing | | | | | |
| NEXTracker, Inc. | Series B Preferred Stock | | 268,817 | 999,999 | 999,9 |
| NEXTracker, Inc. | Warrants to Purchase Stock | | 357,022 | 370,118 | 385,0 |
| | | | | 1,370,117 | 1,385 |
| Financial Investment Activities | | | | | |
| Marsico Holdings, LLC | Common Interest Units | | 168,698 | 172,694 | 16,87 |
| Full-Service Restaurants | | | | | |
| RM Holdco, LLC | | | 24 | - | 792 |

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| | | | | |
|---|---------------------------------------|------------|-----------|-------|
| RM Holdco, LLC | Equity Participation Membership Units | 13,161,000 | 2,010,777 | - |
| | | | 2,010,777 | 792 |
| Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing | | | | |
| Precision Holdings, LLC | Class C Membership Interest | 33 | - | 1,469 |
| Nonmetallic Mineral Mining and Quarrying | | | | |
| EPMC HoldCo, LLC | Membership Units | 1,312,720 | - | 682,6 |
| Nonscheduled Air Transportation | | | | |
| Flight Options Holdings I, Inc. | Warrants to Purchase Common Stock | 1,843 | 1,274,000 | 3,311 |
| Radio and Television Broadcasting | | | | |
| SiTV, Inc. | Warrants to Purchase Common Stock | 233,470 | 300,322 | 331,5 |
| Retail | | | | |
| Shop Holding, LLC | Class A Units | 507,167 | 480,049 | 379,6 |
| Shop Holding, LLC | Warrants to Purchase Class A Units | 326,691 | - | 3 |
| | | | 480,049 | 379,6 |
| Scheduled Air Transportation Aircraft Leased to Delta Air Lines, Inc. | | | | |
| N913DL | Trust Beneficial Interests | 1,009 | 87,287 | 117,4 |
| N918DL | Trust Beneficial Interests | 829 | 94,907 | 135,8 |
| N954DL | Trust Beneficial Interests | 775 | 110,643 | 72,60 |

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| | | | | |
|---|----------------------------------|-----|-----------|-------|
| N955DL | Trust Beneficial Interests | 749 | 109,549 | 111,0 |
| N956DL | Trust Beneficial Interests | 756 | 109,486 | 106,8 |
| N957DL | Trust Beneficial Interests | 749 | 110,163 | 107,6 |
| N959DL | Trust Beneficial Interests | 743 | 110,838 | 108,5 |
| N960DL | Trust Beneficial Interests | 726 | 113,477 | 107,8 |
| N961DL | Trust Beneficial Interests | 737 | 112,742 | 102,8 |
| N976DL | Trust Beneficial Interests | 883 | 97,111 | 102,0 |
| Aircraft Leased to United Airlines, Inc. | | | | |
| United N659UA-767, LLC (N659UA) | Trust Beneficial Interests | 525 | 2,548,939 | 3,177 |
| United N661UA-767, LLC (N661UA) | Trust Beneficial Interests | 509 | 2,495,032 | 3,078 |
| | | | 6,100,174 | 7,329 |

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TCP Capital Corp.

Consolidated Schedule of Investments (Continued)

December 31, 2014

Showing Percentage of Total Cash and Investments of the Company

| Issuer | Instrument | Ref | Floor | Spread | Total Coupon | Maturity | Shares | Cost | Value | % of Port |
|--|--|-----|-------|--------|-----------------|----------|-----------|-------------|------------|--------------|
| <u>Equity Securities</u> | | | | | | | | | | |
| <u>(continued)</u> | | | | | | | | | | |
| Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing | | | | | | | | | | |
| KAGY Holding Company, Inc. | Series A Preferred Stock | | | | | | 9,778 | \$1,091,200 | \$121,975 | 0.0 |
| Semiconductor and Other Electronic Component Manufacturing | | | | | | | | | | |
| Ichor Systems Holdings, LLC | Membership Units | | | | | | 352 | - | 229,504 | 0.0 |
| Soraa, Inc. | Warrants to Purchase Common Stock | | | | | | 315,000 | 408,987 | - | - |
| | | | | | | | | 408,987 | 229,504 | 0.0 |
| Software Publishers | | | | | | | | | | |
| Blackline Intermediate, Inc. | Warrants to Purchase Common Stock | | | | | | 1,232,731 | 522,678 | 789,441 | 0.0 |
| Wired Telecommunications Carriers | | | | | | | | | | |
| Integra Telecom, Inc. | Common Stock | | | | | | 1,274,522 | 8,433,885 | 5,295,511 | 0.4 |
| Integra Telecom, Inc. | Warrants | | | | | | 346,939 | 19,920 | 226,482 | 0.0 |
| V Telecom Investment S.C.A.(Luxembourg) | Common Shares | | | | | | 1,393 | 3,236,256 | 3,699,127 | 0.3 |
| | | | | | | | | 11,690,061 | 9,221,120 | 0.7 |
| Total Equity Securities | | | | | | | | 61,357,548 | 32,942,771 | 2.8 |

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| | | | | | | | |
|--|------------------|---------|-------|----------|---------------|-----------------|-------|
| Total Investments | | | | | 1,189,498,522 | 1,146,535,886 | |
| <u>Cash and Cash Equivalents</u> | | | | | | | |
| Union Bank of California | Commercial Paper | Fixed - | 0.03% | 1/2/2015 | | 6,999,994 | 0.0 |
| Cash Denominated in Foreign Currencies | | | | | | 192,187 | 0.0 |
| Cash Held on Account at Various Institutions | | | | | | 20,076,611 | 1.7 |
| Cash and Cash Equivalents | | | | | | 27,268,792 | 2.3 |
| Total Cash and Investments | | | | | | \$1,173,804,678 | 100.0 |

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) Principal amount denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. (See Note 2)

(E) Restricted security.. (See Note 2)

Controlled issuer – as defined under the Investment Company Act of 1940 (ownership of 25% or more of the (F) outstanding voting securities of this issuer). Investment is not more than 50% owned nor deemed to be a significant subsidiary. See Consolidated Schedule of Changes in Investments in Affiliates.

(G) Investment has been segregated to collateralize certain unfunded commitments.

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

Deemed an investment company under Section 3(c) of the Investment Company Act and as a result the investment (I) is not a qualifying asset under Section 55(a) of the Investment Company Act. Under the Investment Company Act, the Company may not acquire any non-qualifying asset unless, at the time such acquisition is made, qualifying assets represent at least 70% of the Company's total assets.

(J)

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

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

(L) In addition to the stated coupon, investment has a back-end fee payable upon repayment of the loan in the amount of 4.0% for Soraa, 8.0% for VitAg, 1.5% for Enerwise, 2.5% for NEXTracker, and 7.0% for Green Biologics.

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

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

Aggregate acquisitions and aggregate dispositions of investments, other than government securities, totaled \$669,515,626, and \$266,008,974 respectively, for the twelve months ended December 31, 2014. Aggregate acquisitions includes investment assets received as payment in kind. Aggregate dispositions includes principal paydowns on and maturities of debt investments. The total value of restricted securities and bank debt as of December 31, 2014 was \$1,146,535,883, or 97.7% of total cash and investments of the Company.

Options and swaps at December 31, 2014 were as follows:

| Investment | Notional Amount | Fair Value |
|---|--------------------|-------------|
| Interest Rate Cap with Deutsche Bank AG, 4%, expires 5/15/2016 | \$25,000,000 | \$497 |
| Euro/US Dollar Cross-Currency Basis Swap with Wells Fargo Bank, N.A., Pay Euros/Receive USD, Expires 3/31/2017 | \$16,401,467 | \$1,717,610 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Operations (Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|--------------|------------------------------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| Investment income | | | | |
| Interest income: | | | | |
| Companies less than 5% owned | \$32,171,144 | \$24,699,976 | \$98,581,508 | \$65,174,101 |
| Companies 5% to 25% owned | 1,516,596 | 1,728,834 | 3,828,262 | 4,423,013 |
| Companies more than 25% owned | 125,074 | 214,091 | 444,168 | 706,553 |
| Dividend income: | | | | |
| Companies 5% to 25% owned | - | - | - | 1,968,748 |
| Lease income: | | | | |
| Companies 5% to 25% owned | - | 74,038 | - | 282,581 |
| Companies more than 25% owned | 354,958 | 262,905 | 978,000 | 726,477 |
| Other income: | | | | |
| Companies less than 5% owned | 1,331,277 | 210,622 | 3,420,283 | 1,164,938 |
| Total investment income | 35,499,049 | 27,190,466 | 107,252,221 | 74,446,411 |
| Operating expenses | | | | |
| Management and advisory fees | 4,703,999 | 3,513,238 | 13,681,411 | 9,504,317 |
| Interest expense | 3,746,722 | 2,535,555 | 10,488,383 | 4,012,167 |
| Legal fees, professional fees and due diligence expenses | 425,796 | 268,710 | 1,994,571 | 828,102 |
| Amortization of deferred debt issuance costs | 548,798 | 545,294 | 1,623,333 | 1,347,442 |
| Administrative expenses | 394,920 | 392,794 | 1,177,357 | 1,029,069 |
| Commitment fees | 315,206 | 243,147 | 919,649 | 650,209 |
| Insurance expense | 99,876 | 83,996 | 272,677 | 202,823 |
| Director fees | 67,625 | 88,395 | 233,465 | 255,776 |
| Custody fees | 74,891 | 54,369 | 214,141 | 166,025 |
| Other operating expenses | 866,249 | 264,778 | 2,182,452 | 1,033,422 |
| Total operating expenses | 11,244,082 | 7,990,276 | 32,787,439 | 19,029,352 |
| Net investment income | 24,254,967 | 19,200,190 | 74,464,782 | 55,417,059 |
| Net realized and unrealized gain (loss) on investments and foreign currency | | | | |
| Net realized gain (loss): | | | | |
| Investments in companies less than 5% owned | 5,735,352 | 544,212 | (3,714,114) | (5,317,388) |
| Investments in companies 5% to 25% owned | 395 | 383,670 | 1,185 | 383,670 |
| Investments in companies more than 25% owned | - | - | 19,167 | - |
| Net realized gain (loss) | 5,735,747 | 927,882 | (3,693,762) | (4,933,718) |
| Change in net unrealized appreciation/depreciation | (7,621,948) | (5,433,060) | 28,123 | 2,596,620 |
| Net realized and unrealized gain (loss) | (1,886,201) | (4,505,178) | (3,665,639) | (2,337,098) |
| Net increase in net assets from operations | 22,368,766 | 14,695,012 | 70,799,143 | 53,079,961 |

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| | | | | |
|--|--------------|--------------|---------------|--------------|
| Gain on repurchase of Series A preferred interests | - | - | 1,675,000 | - |
| Dividends on Series A preferred equity facility | (460,836) | (357,451) | (1,251,930) | (1,083,263) |
| Net change in accumulated dividends on Series A preferred equity facility | 398,541 | (4,718) | 497,790 | 5,394 |
| Distributions of incentive allocation to the General Partner from: | | | | |
| Net investment income | (4,838,534) | (3,767,604) | (14,742,130) | (10,867,837) |
| Net change in reserve for incentive allocation | - | 901,035 | - | 467,419 |
| Net increase in net assets applicable to common shareholders resulting from operations | \$17,467,937 | \$11,466,274 | \$56,977,873 | \$41,601,674 |
| Basic and diluted earnings per common share | \$0.36 | \$0.29 | \$1.17 | \$1.11 |
| Basic and diluted weighted average common shares outstanding | 48,957,567 | 40,079,914 | 48,858,263 | 37,507,497 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Changes in Net Assets

| | Common Stock | | Paid in Capital | Accumulated Net Investment Income | Accumulated Net Realized Losses | Accumulated Net Unrealized Depreciation | Non-controlling Interest | Equity |
|--|--------------|------------|------------------|-----------------------------------|---------------------------------|---|--------------------------|--------|
| | Shares | Par Amount | in Excess of Par | | | | | Assets |
| Balance at December 31, 2013 | 36,199,916 | \$36,200 | \$667,842,020 | \$24,016,095 | \$(105,800,278) | \$(35,314,199) | \$(1,168,583) | \$5 |
| Issuance of common stock in public offering, net | 12,110,000 | 12,110 | 201,127,367 | - | - | - | - | 2 |
| Issuance of common stock from at the market offerings, net | 400,255 | 400 | 6,420,026 | - | - | - | - | 6 |
| Issuance of common stock from dividend reinvestment plan | 456 | - | 7,687 | - | - | - | - | 7 |
| Issuance of convertible debt | - | - | 2,515,594 | - | - | - | - | 2 |
| Net investment income | - | - | - | 77,292,563 | - | - | - | 7 |
| Net realized and unrealized loss | - | - | - | - | (21,118,867) | (6,185,711) | - | (|
| Dividends on Series A preferred equity facility | - | - | - | (1,438,172) | - | - | - | (|
| General Partner incentive allocation | - | - | - | (15,170,877) | - | - | 1,168,583 | (|
| Regular dividends paid to common shareholders | - | - | - | (58,867,403) | - | - | - | (|
| Special dividends paid to common shareholders | - | - | - | (4,245,526) | - | - | - | (|
| Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles | - | - | (808,813) | 297,701 | 511,112 | - | - | - |
| Balance at December 31, 2014 | 48,710,627 | \$48,710 | \$877,103,880 | \$21,884,381 | \$(126,408,033) | \$(41,499,910) | \$- | \$7 |

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| | | | | | | | | |
|--|------------|----------|---------------|--------------|-----------------|----------------|-----|-----|
| Issuance of common stock from at the market offerings, net | 248,614 | 249 | 3,945,817 | - | - | - | - | 3 |
| Issuance of common stock from dividend reinvestment plan | 404 | - | 6,012 | - | - | - | - | 6 |
| Repurchase of common stock | (25,147) | (25) | (372,818) | | | | | (|
| Gain on repurchase of Series A preferred interests | - | - | - | - | 1,675,000 | - | - | 1 |
| Net investment income | - | - | - | 74,464,782 | - | - | - | 7 |
| Net realized and unrealized gain (loss) | - | - | - | - | (3,693,762) | 28,123 | - | (|
| Dividends on Series A preferred equity facility | - | - | - | (754,140) | - | - | - | (|
| General Partner incentive allocation | - | - | - | (14,742,130) | - | - | - | (|
| Regular dividends paid to common shareholders | - | - | - | (52,786,506) | - | - | - | (|
| Balance at September 30, 2015 | 48,934,498 | \$48,934 | \$880,682,891 | \$28,066,387 | \$(128,426,795) | \$(41,471,787) | \$- | \$7 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Cash Flows (Unaudited)

| | Nine Months Ended September | |
|---|-----------------------------|---------------|
| | 30, | |
| | 2015 | 2014 |
| Operating activities | | |
| Net increase in net assets applicable to common shareholders resulting from operations | \$56,977,873 | \$41,601,674 |
| Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash used in operating activities: | | |
| Net realized loss | 3,693,762 | 4,933,718 |
| Change in net unrealized appreciation/depreciation of investments | (374,026) | (2,614,461) |
| Gain on repurchase of Series A preferred interests | (1,675,000) | - |
| Dividends paid on Series A preferred equity facility | 1,251,930 | 1,083,263 |
| Net change in accumulated dividends on Series A preferred equity facility | (497,790) | (5,394) |
| Net change in reserve for incentive allocation | - | (467,419) |
| Accretion of original issue discount on investments | (9,198,452) | (3,044,889) |
| Net accretion of market discount/premium | (54,404) | (1,152,021) |
| Accretion of original issue discount on convertible debt | 308,402 | 114,671 |
| Interest and dividend income paid in kind | (4,854,335) | (4,366,287) |
| Amortization of deferred debt issuance costs | 1,623,333 | 1,347,442 |
| Changes in assets and liabilities: | | |
| Purchases of investment securities | (418,493,733) | (481,674,735) |
| Proceeds from sales, maturities and pay downs of investments | 305,505,796 | 177,994,806 |
| Increase in accrued interest income - companies less than 5% owned | (4,039,131) | (3,394,734) |
| Increase in accrued interest income - companies 5% to 25% owned | (496,698) | (235,265) |
| Decrease in accrued interest income - companies more than 25% owned | 10,957 | 9,790 |
| Decrease in receivable for investments sold | 8,991,647 | 3,605,964 |
| Decrease (increase) in prepaid expenses and other assets | 795,661 | (991,312) |
| Increase (decrease) in payable for investments purchased | 5,798,002 | (13,456,911) |
| Increase (decrease) in payable to the Advisor | 271,345 | (709,816) |
| Increase in interest payable | 2,069,047 | 2,051,097 |
| Increase in incentive allocation payable | 535,494 | 448,704 |
| Decrease in accrued expenses and other liabilities | (584,783) | (273,166) |
| Net cash used in operating activities | (52,435,104) | (279,195,281) |
| Financing activities | | |
| Borrowings | 415,300,000 | 519,500,000 |
| Repayments of debt | (169,000,000) | (293,000,000) |
| Repurchase of Series A preferred interests | (132,325,000) | - |
| Payments of debt issuance costs | (3,766,618) | (5,866,168) |
| Dividends paid on Series A preferred equity facility | (1,251,930) | (1,083,263) |
| Regular dividends paid to common shareholders | (52,786,506) | (43,141,625) |
| Repurchase of common shares | (372,843) | - |
| Proceeds from shares issued in connection with dividend reinvestment plan | 6,012 | 5,509 |
| Proceeds from common shares sold, net of underwriting and offering costs | 3,946,066 | 103,940,721 |

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| | | |
|--|--------------|--------------|
| Net cash provided by financing activities | 59,749,181 | 280,355,174 |
| Net increase in cash and cash equivalents | 7,314,077 | 1,159,893 |
| Cash and cash equivalents at beginning of period | 27,268,792 | 22,984,182 |
| Cash and cash equivalents at end of period | \$34,582,869 | \$24,144,075 |
| Supplemental cash flow information | | |
| Interest payments | \$8,110,934 | \$1,846,399 |
| Excise tax payments | \$877,879 | \$938,460 |

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited)

September 30, 2015

1. Organization and Nature of Operations

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

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

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

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

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Reclassifications

Certain prior period amounts relating to lease income have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and differences could be material.

Investment Valuation

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

All investments are valued at least quarterly based on affirmative pricing or quotations from independent third- party sources, with the exception of investments priced directly by the Advisor which together comprise, in total, less than 5% of the capitalization of the Partnership. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued for financial reporting purposes as of the last business day of the reporting period using the closing price on the date of valuation. Liquid investments not listed on a recognized exchange or market quotation system are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

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

Generally, to increase objectivity in valuing the investments, the Advisor will utilize external measures of value, such as public markets or third-party transactions, whenever possible. The Advisor's valuation is not based on long-term work-out value, immediate liquidation value, nor incremental value for potential changes that may take place in the future. The values assigned to investments that are valued by the Advisor are based on available information and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. The foregoing policies apply to all investments, including those in companies and groups of affiliated companies aggregating more than 5% of the Company's assets.

Fair valuations of investments in each asset class are determined using one or more methodologies including the market approach, income approach, or, in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. In following these approaches, the types of factors that may be taken into account include, as relevant: 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, the principal market in which the investment trades and enterprise values, among other factors.

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

At September 30, 2015, the Company's investments were categorized as follows:

| Level | Basis for Determining Fair Value | Bank Debt | Other Corporate Debt | Equity Securities |
|-------|---|-----------------|----------------------|-------------------|
| 1 | Quoted prices in active markets for identical assets | \$- | \$- | \$- |
| 2 | Other observable market inputs * Independent third-party pricing sources that employ significant unobservable inputs | 101,347,633 | 43,940,470 | - |
| 3 | unobservable inputs | 986,414,413 | 94,850,874 | 39,055,086 |
| 3 | Advisor valuations with significant unobservable inputs | 1,124,503 | - | 2,427,660 |
| | Total | \$1,088,886,549 | \$138,791,344 | \$41,482,746 |

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of September 30, 2015 included the following:

| Asset Type | Fair Value | Valuation Technique | Unobservable Input | Range (Weighted Avg.) |
|----------------------|------------------|-----------------------------|---------------------------|--------------------------|
| Bank Debt | \$ 763,574,930 | Market rate approach | Market yields | 4.3% - 22.7% |
| | 152,703,450 | Market quotations | Indicative bid/ask quotes | (12.0%) |
| | 45,619,986 | Market comparable companies | Revenue multiples | 1 - 4 (1) 0.4x - 5.8x |
| | 25,640,550 | Market comparable companies | EBITDA multiples | (3.0x) 3.3x - 16.5x |
| Other Corporate Debt | 4,889,204 | Market rate approach | Market yields | 13.2% |
| | 80,693,670 | Market quotations | Indicative bid/ask quotes | (13.2%) |
| | 9,268,000 | Market comparable companies | EBITDA multiples | 1 - 2 (1) 7.3x (7.3x) |
| Equity | 7,801,506 | Market rate approach | Market yields | 5.9% - 26.2% |
| | 6,553,914 | Market quotations | Indicative bid/ask quotes | (8.0%) |
| | 3,020,806 | Market comparable companies | Revenue multiples | 1 - 2(1) 0.4x - 6.0x |
| | 24,106,520 | Market comparable companies | EBITDA multiples | (3.0x) 4.8x - 11.0x |
| | \$ 1,123,872,536 | | | (7.0x) |

Generally, a change in an unobservable input may result in a change to the value of an investment as follows:

| Input | Impact to Value if Input Increases | Impact to Value if Input Decreases |
|-------------------|---------------------------------------|---------------------------------------|
| Market yields | Decrease | Increase |
| Revenue multiples | Increase | Decrease |
| EBITDA multiples | Increase | Decrease |

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the three months ended September 30, 2015 were as follows:

| | Independent Third-Party Valuation | | |
|--|-----------------------------------|----------------------------|----------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$908,884,909 | \$96,136,194 | \$38,634,245 |
| Net realized and unrealized gains (losses) | (3,214,866) | (1,285,320) | 6,167,397 |
| Acquisitions | 111,630,494 | - | 2,750,607 |
| Dispositions | (30,596,992) | - | (8,497,163) |
| Reclassifications within Level 3 ** | (289,132) [†] | - | - |
| Ending balance | \$986,414,413 | \$94,850,874 | \$39,055,086 |

| | | | |
|--|-----------------|-----------------|--------------|
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$ (1,862,003) | \$ (1,285,320) | \$ 4,284,045 |
|--|-----------------|-----------------|--------------|

** Comprised of one investment that reclassified from Advisor Valuation

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

| | Advisor Valuation | | |
|--|---------------------------|----------------------------|----------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$(383,918) [†] | \$ - | \$2,455,417 |
| Net realized and unrealized gains (losses) | 149,870 | - | (26,540) |
| Acquisitions | 1,076,312 | - | - |
| Dispositions | (6,893) | - | (1,217) |
| Reclassifications within Level 3 * | 289,132 | - | - |
| Ending balance | \$1,124,503 | \$ - | \$2,427,660 |

| | | | |
|--|------------|------|------------|
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$ 149,870 | \$ - | \$ 201,750 |
|--|------------|------|------------|

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

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

There were no transfers between Level 1 and 2 during the three months ended September 30, 2015.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Changes in investments categorized as Level 3 during the nine months ended September 30, 2015 were as follows:

| | Independent Third-Party Valuation | | |
|--|-----------------------------------|----------------------|-------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$840,538,179 | \$56,621,975 | \$30,618,142 |
| Net realized and unrealized gains (losses) | (14,665,802) | 897,833 | 13,506,731 |
| Acquisitions | 406,576,197 | 300,149 | 5,266,261 |
| Dispositions | (223,620,986) | (2,516,390) | (10,336,048) |
| Transfers out of Level 3 ‡ | (36,143,175) | (16,311,095) | - |
| Transfers into Level 3 § | 13,730,000 | 51,247,224 | - |
| Reclassifications within Level 3 ** | - | 4,611,178 | - |
| Ending balance | \$986,414,413 | \$94,850,874 | \$39,055,086 |
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$(11,815,486) | \$841,634 | \$7,600,170 |

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

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

** Comprised of one investment that reclassified from Advisor Valuation

| | Advisor Valuation | | |
|--|-------------------|----------------------|-------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$- | \$4,611,178 | \$2,324,629 |
| Net realized and unrealized gains (losses) | 134,445 | - | 104,248 |
| Acquisitions | 1,725,243 | - | - |
| Dispositions | (735,185) | - | (1,217) |
| Reclassifications within Level 3 * | - | (4,611,178) | - |
| Ending balance | \$1,124,503 | \$- | \$2,427,660 |
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$134,445 | \$- | \$332,538 |

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

There were no transfers between Level 1 and 2 during the nine months ended September 30, 2015.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

At December 31, 2014, the Company's investments were categorized as follows:

| Level Basis for Determining Fair Value | Bank Debt | Other Corporate Debt | Equity Securities |
|---|---------------|----------------------------|----------------------|
| 1 Quoted prices in active markets for identical assets | \$- | \$- | \$- |
| 2 Other observable market inputs * Independent third-party pricing sources that employ significant | 131,946,338 | 79,875,445 | - |
| 3 unobservable inputs | 840,538,179 | 56,621,975 | 30,618,142 |
| 3 Advisor valuations with significant unobservable inputs | - | 4,611,178 | 2,324,629 |
| Total | \$972,484,517 | \$ 141,108,598 | \$32,942,771 |

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

Changes in investments categorized as Level 3 during the three months ended September 30, 2014 were as follows:

| | Independent Third-Party Valuation | | |
|--|-----------------------------------|----------------------------|----------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$580,830,991 | \$50,098,573 | \$26,851,302 |
| Net realized and unrealized gains (losses) | (2,348,229) | (266,272) | 996,648 |
| Acquisitions | 205,639,764 | 5,624 | 4,046,906 |
| Dispositions | (33,252,537) | - | (1,006,480) |
| Transfers out of Level 3 ‡ | (28,782,948) | - | - |
| Transfers into Level 3 § | 17,131,420 | 2,682,500 | - |
| Reclassifications within Level 3 ** | (455,459)† | - | 1,115,183 |
| Ending balance | \$738,763,002 | \$52,520,425 | \$32,003,559 |

Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) \$(1,011,779) \$(266,272) \$629,452

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

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

** Comprised of three investments that reclassified from Advisor Valuation and one investment that reclassified to Advisor Valuation

† Negative balance relates to an unfunded commitment that was acquired and valued at a discount

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

| | Advisor Valuation | | |
|--|-------------------|----------------------|-------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$ (455,459) † | \$ 4,307,107 | \$ 2,389,805 |
| Net realized and unrealized gains (losses) | - | 24,993 | 16,074 |
| Reclassifications within Level 3 * | 455,459 | - | (1,115,183) |
| Ending balance | \$ - | \$ 4,332,100 | \$ 1,290,696 |
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$ - | \$ 24,993 | \$ 16,075 |

* Comprised of three investments that reclassified to Independent Third-Party Valuation and one investment that reclassified from Independent Third-Party Valuation

Negative balance relates to an unfunded commitment that was acquired and valued at a discount

There were no transfers between Level 1 and 2 during the three months ended September 30, 2014.

Changes in investments categorized as Level 3 during the nine months ended September 30, 2014 were as follows:

| | Independent Third-Party Valuation | | |
|--|-----------------------------------|----------------------|-------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$ 515,953,643 | \$ 53,334,634 | \$ 36,066,746 |
| Net realized and unrealized gains (losses) | 47,146 | (14,913) | (1,335,910) |
| Acquisitions | 424,280,318 | 174,943 | 5,882,955 |
| Dispositions | (115,964,311) | (22,549,239) | (10,046,998) |
| Transfers out of Level 3 † | (89,614,594) | - | - |
| Transfers into Level 3 ‡ | 4,060,800 | 21,575,000 | - |
| Reclassifications within Level 3 § | - | - | 1,436,766 |
| Ending balance | \$ 738,763,002 | \$ 52,520,425 | \$ 32,003,559 |
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$ 1,089,298 | \$ 1,005,398 | \$ (1,075,632) |

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

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

§ Comprised of two investments that reclassified from Advisor Valuation and one that reclassified to Advisor Valuation

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

| | Advisor Valuation | | |
|--|-------------------|----------------------------|----------------------|
| | Bank Debt | Other Corporate Debt | Equity Securities |
| Beginning balance | \$4,060,800 | \$7,631,335 | \$2,837,707 |
| Net realized and unrealized losses | - | (504,281) | (313,703) |
| Acquisitions | - | 4,303,962 | 230,937 |
| Dispositions | (4,060,800) | (7,098,916) | (27,479) |
| Reclassifications within Level 3 ** | - | - | (1,436,766) |
| Ending balance | \$- | \$4,332,100 | \$1,290,696 |
| Net change in unrealized appreciation/depreciation during the period on investments still held at period end (included in net realized and unrealized gains/losses, above) | \$- | \$166,619 | \$(341,183) |

** Comprised of two investments that reclassified to Independent Third-Party Valuation and one that reclassified from Independent Third-Party Valuation

There were no transfers between Level 1 and 2 during the nine months ended September 30, 2014.

Investment Transactions

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

Cash and Cash Equivalents

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

Restricted Investments

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

restricted investments in affiliates, are valued in accordance with the investment valuation policies discussed above.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Foreign Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 1.4% and 1.7% of total investments at September 30, 2015 and December 31, 2014, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at September 30, 2015 and December 31, 2014 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

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

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Partnership has entered into certain swap and option transactions. All derivatives are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. The transactions entered into are accounted for using the mark-to-market method with the resulting change in fair value recognized in earnings for the current period. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in interest rates and the value of foreign currency relative to the U.S. dollar. The Partnership is required under the terms of its derivative agreement to pledge assets as collateral to secure its obligation under the derivatives. As of September 30, 2015, \$492,045 of cash was pledged as collateral under the Partnership's derivative instrument.

The Partnership did not enter into any new derivative transactions during the nine months ended September 30, 2015. At September 30, 2015, the Partnership held an interest rate cap with a notional amount of \$25,000,000 and a cross currency basis swap with a notional amount of \$16,401,467. Gains and losses from derivatives during the nine months ended September 30, 2015 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

| Instrument | Realized Gains (Losses) | Unrealized Gains (Losses) |
|---------------------------|-------------------------------|---------------------------------|
| Cross currency basis swap | \$ - | \$ 1,151,138 |
| Interest rate cap | - | (497) |

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

The Partnership did not enter into any new derivative transactions during the nine months ended September 30, 2014. At September 30, 2014, the Partnership held an interest rate cap with a notional amount of \$25,000,000 and a cross currency basis swap with a notional amount of \$16,401,467. Gains and losses from derivatives during the nine months ended September 30, 2014 were included in net realized and unrealized loss on investments in the Consolidated Statements of Operations as follows:

| Instrument | Realized | Unrealized |
|----------------------------|-------------------|-------------------|
| | Gains (Losses) | Gains (Losses) |
| Cross currency basis swaps | \$ - | \$1,402,313 |
| Interest rate cap | - | (12,812) |

Valuations of derivatives held at September 30, 2015 and 2014 were determined using observable market inputs other than quoted prices in active markets for identical assets and, accordingly, are classified as Level 2 in the GAAP valuation hierarchy.

Debt Issuance Costs

Costs of approximately \$1.6 million and \$1.5 million were incurred during 2015 and 2013, respectively, in connection with the amendment and extension of the Partnership's credit facility (see Note 4). Costs of approximately \$1.9 million, \$1.8 million and \$1.6 million were incurred during 2015, 2014 and 2013, respectively, in connection with placing and extending TCPC Funding's revolving credit facility (see Note 4). Costs of approximately \$3.4 million were incurred in 2014 in connection with placing the Company's unsecured convertible notes (see Note 4). Costs of approximately \$0.3 million and \$1.5 million were incurred during 2015 and 2014, respectively, in connection with placing the SBIC's SBA debentures (see Note 4). These costs were deferred and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company or the Partnership.

Revenue Recognition

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

Certain debt investments are purchased at a discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. GAAP generally requires that discounts on the acquisition of corporate bonds, municipal bonds and treasury bonds be amortized using the effective-interest or constant-yield method assuming there are no questions as to collectability. When principal

payments on a loan are received in an amount in excess of the loan's amortized cost, the excess principal payments are recorded as interest income.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company intends to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. Accordingly, no provision for income taxes is required in the consolidated financial statements. The income or loss of the Partnership, TCPC Funding and the SBIC is reported in the respective partners' income tax returns. In accordance with ASC Topic 740 – Income Taxes, the Company recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. As of September 30, 2015, all tax years of the Company, the Partnership, TCPC Funding and the SBIC since January 1, 2011 remain subject to examination by federal tax authorities. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of the Partnership's investments (including derivatives) for U.S. federal income tax purposes at September 30, 2015 and December 31, 2014 were as follows:

| | September 30, 2015 | December 31, 2014 |
|-----------------------------|-----------------------|----------------------|
| Unrealized appreciation | \$39,427,027 | \$32,342,656 |
| Unrealized depreciation | (80,333,641) | (73,638,935) |
| Net unrealized depreciation | \$(40,906,614) | \$(41,296,279) |
| Cost | \$1,312,936,001 | \$1,189,550,272 |

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Topic 605, Revenue Recognition. Under this new guidance, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all entities and, for public entities, is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early application is permitted, but no earlier than annual periods beginning after December 15, 2016 and interim periods within that reporting period. The Company is currently evaluating the impact this ASU will have on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs, which generally requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. ASU 2015-03 is effective for annual periods beginning after December 15, 2015, and interim periods within those fiscal years. Early application is permitted. In August 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015, which clarified the SEC staff's position on presenting

and measuring debt issuance costs incurred in connection with line-of-credit arrangements. ASU 2015-15 should be adopted concurrent with the adoption of ASU 2015-03. The Company does not expect adoption of this guidance to have a material impact on its consolidated financial statements.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

3. Management Fees, Incentive Compensation and Other Expenses

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

Incentive compensation is only paid to the extent the total performance of the Company exceeds a cumulative 8% annual return since January 1, 2013 (the "Total Return Hurdle"). Beginning January 1, 2013, the incentive compensation equals 20% of net investment income (reduced by preferred dividends) and 20% of net realized gains (reduced by any net unrealized losses), subject to the Total Return Hurdle. The incentive compensation is payable quarterly in arrears as an allocation and distribution to the General Partner and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is accrued based on the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. The General Partner's equity interest in the Partnership is comprised entirely of such reserve amount, if any, and is reported as a non-controlling interest in the consolidated financial statements of the Company. As of September 30, 2015 and December 31, 2014, no such reserve was accrued.

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

4. Leverage

Leverage is comprised of convertible senior unsecured notes issued by the Company (the "Convertible Notes"), amounts outstanding under a term loan issued by the Partnership (the "Term Loan"), amounts outstanding under a senior secured revolving credit facility issued by the Partnership (the "Revolving Credit Facility," and together with the Term Loan, the "Partnership Facility"), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the "TCPC Funding Facility"), debentures guaranteed by the SBA (the "SBA Debentures"), and amounts outstanding under a preferred equity facility issued by the Partnership (the "Preferred Interests") which were fully repurchased and retired by the Partnership on September 3, 2015.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Total leverage outstanding and available at September 30, 2015 was as follows:

| | Maturity | Rate | Carrying Value † | Available | Total Capacity |
|---------------------------------------|-----------|-----------|------------------|----------------|----------------|
| Partnership Facility | | | | | |
| Revolving Credit Facility | 2018 | L+1.75%* | \$ 109,000,000 | \$ 7,000,000 | \$ 116,000,000 |
| Term Loan | 2018 | L+1.75%* | 100,500,000 | - | 100,500,000 |
| TCPC Funding Facility | 2020 | L+2.50%*§ | 221,000,000 | 129,000,000 | 350,000,000 |
| Convertible Notes (\$108 million par) | 2019 | 5.25% | 106,005,233 | - | 106,005,233 |
| SBA Debentures | 2024-2025 | 2.84%** | 38,800,000 | 36,200,000 | 75,000,000 ‡ |
| Total leverage | | | \$ 575,305,233 | \$ 172,200,000 | \$ 747,505,233 |

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

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

§ Or L+2.25% subject to certain funding requirements

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

‡ Anticipated total capacity of \$150 million

Total leverage outstanding and available at December 31, 2014 was as follows:

| | Maturity | Rate | Carrying Value † | Available | Total Capacity |
|---------------------------------------|-----------|----------|------------------|----------------|----------------|
| Partnership Facility | | | | | |
| Revolving Credit Facility | 2016 | L+2.50%* | \$ 70,000,000 | \$ 46,000,000 | \$ 116,000,000 |
| TCPC Funding Facility | 2017 | L+2.50%* | 125,000,000 | 125,000,000 | 250,000,000 |
| Convertible Notes (\$108 million par) | 2019 | 5.25% | 105,696,830 | - | 105,696,830 |
| SBA Debentures | 2024-2025 | 3.02%** | 28,000,000 | 47,000,000 | 75,000,000 ‡ |
| Preferred Interests | 2016 | L+0.85%* | 134,000,000 | - | 134,000,000 |
| Total leverage | | | \$ 462,696,830 | \$ 218,000,000 | \$ 680,696,830 |

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

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

Interest rate on pooled loans of \$18.5 million, excluding fees of 0.36%. As of December 31, 2014, the remaining

** \$9.5 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 0.56% plus fees of 0.36% through March 25, 2015, the date of the next SBA pooling

‡ Anticipated total capacity of \$150 million

The combined weighted-average interest and dividend rates on total leverage outstanding at September 30, 2015 and December 31, 2014 were 2.96% and 2.86%, respectively.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Total expenses related to debt include:

| | Nine Months Ended | |
|--|-------------------|--------------|
| | September 30, | |
| | 2015 | 2014 |
| Interest expense | \$ 10,488,383 | \$ 4,012,167 |
| Amortization of deferred debt issuance costs | 1,623,333 | 1,347,442 |
| Commitment fees | 919,649 | 650,209 |
| Total | \$ 13,031,365 | \$ 6,009,818 |

Amounts outstanding under the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of September 30, 2015, the estimated fair values of the Partnership Facility and the SBA Debentures approximated their carrying values, and the TCPC Funding Facility and Convertible Notes had estimated fair values of \$223.1 million and \$107.5 million, respectively. The estimated fair values of the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures are determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. At September 30, 2015, the fair values of the Partnership Facility, the TCPC Funding Facility, the Convertible Notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Notes

On June 11, 2014, the Company issued \$108 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the Partnership Facility and the TCPC Funding Facility. The Company does not have the right to redeem the Convertible Notes prior to maturity. The Convertible Notes bear interest at an annual rate of 5.25%, payable semi-annually. In certain circumstances, the Convertible Notes will be convertible into cash, shares of the Company's common stock or a combination of cash and shares of common stock (such combination to be at the Company's election), at an initial conversion rate of 50.9100 shares of common stock per one thousand dollar principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately \$19.64 per share of common stock, subject to customary anti-dilution adjustments. The initial conversion price was approximately 12.5% above the \$17.46 per share closing price of the Company's common stock on June 11, 2014. At September 30, 2015, the principal amount of the Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company's common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

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

combination of cash and shares of the Company's common stock, subject to the requirements of the Indenture.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

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

The original issue discount equal to the equity component of the Convertible Notes was recorded in “paid-in capital in excess of par” in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company will record interest expense comprised of both stated interest and accretion of the original issue discount. At the time of issuance, the equity component was \$2,515,594. As of September 30, 2015, the components of the carrying value of the Convertible Notes were as follows:

| | |
|---|----------------|
| Principal amount of debt | \$ 108,000,000 |
| Original issue discount, net of accretion | (1,994,767) |
| Carrying value of debt | \$ 106,005,233 |

For the nine months ended September 30, 2015, the components of interest expense for the Convertible Notes were as follows:

| | |
|--------------------------------------|-------------|
| Stated interest expense | \$4,252,500 |
| Accretion of original issue discount | 308,402 |
| Total interest expense | \$4,560,902 |

The estimated effective interest rate of the debt component of the Convertible Notes, equal to the stated interest of 5.25% plus the accretion of the original issue discount, was approximately 5.75% for the nine months ended September 30, 2015.

Partnership Facility

The Partnership Facility consists of a \$100.5 million fully-drawn senior secured term loan and a senior secured revolving credit facility which provides for amounts to be drawn up to \$116 million, subject to certain collateral and other restrictions. The Partnership Facility matures on July 31, 2018. Most of the cash and investments held directly by the Partnership, as well as the net assets of TCPC Funding and the SBIC, are included in the collateral for the facility.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Advances under the Partnership Facility through July 31, 2014 bore interest at an annual rate equal to 0.44% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership Facility for periods from July 31, 2014 through September 3, 2015 bore interest at an annual rate equal to 2.5% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership Facility from September 3, 2015 through July 31, 2016 bear interest at an annual rate equal to 1.75% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). Advances under the Partnership facility from July 31, 2016 through the maturity date of the facility will bear interest at an annual rate of 2.5% plus either LIBOR or the lender's cost of funds (subject to a cap of LIBOR plus 20 basis points). In addition to amounts due on outstanding debt, the Revolving Credit Facility accrues commitment fees of 0.20% per annum on the unused portion of the facility, or 0.25% per annum when less than \$46.4 million in borrowings are outstanding. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should the Partnership fail to satisfy certain financial or other covenants. As of September 30, 2015, the Partnership was in full compliance with such covenants.

SBA Debentures

As of September 30, 2015, the SBIC is able to issue up to \$75 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of September 30, 2015, the Partnership had committed \$75 million of regulatory capital to the SBIC, \$58.0 million of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of LIBOR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

SBA Debentures outstanding as of September 30, 2015 were as follows:

| Issuance Date | Maturity | Debenture Amount | Fixed Interest Rate | SBA Annual Charge |
|--------------------|-------------------|------------------|---------------------|-------------------|
| September 24, 2014 | September 1, 2024 | \$18,500,000 | 3.02 % | 0.36 % |
| March 25, 2015 | March 1, 2025 | 9,500,000 | 2.52 % | 0.36 % |
| September 23, 2015 | September 1, 2025 | 10,800,000 | 2.83 % | 0.36 % |
| | | \$38,800,000 | 2.84 %* | |

*Weighted-average interest rate

TCPC Funding Facility

The TCPC Funding Facility is a senior secured revolving credit facility which provides for amounts to be drawn up to \$350 million, subject to certain collateral and other restrictions. The facility's maturity is March 6, 2020, subject to extension by the lender at the request of TCPC Funding. The facility contains an accordion feature which allows for expansion of the facility to up to \$400 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding are included in the collateral for the facility.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

4. Leverage (continued)

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus 2.25% per annum, or LIBOR plus 2.50% per annum subject to certain funding requirements, plus an administration fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 0.75% per annum when the unused portion is greater than 33% of the total facility and an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of September 30, 2015, TCPC Funding was in full compliance with such covenants.

Preferred Interests

As of September 30, 2015, the Partnership had fully repurchased and retired all outstanding Preferred Interests. The Preferred Interests were comprised of 6,700 Series A preferred limited partner interests with a liquidation preference of \$20,000 per interest. The Preferred Interests accrued dividends at an annual rate equal to 0.85% plus either LIBOR or the interest holder's cost of funds (subject to a cap of LIBOR plus 20 basis points).

On June 30, 2015, the Partnership repurchased and retired 1,675 of the previously outstanding 6,700 Preferred Interests at a price of \$31,825,000. On September 3, 2015, the Partnership repurchased and retired the remaining 5,025 Preferred Interests outstanding at a price of \$100,500,000.

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

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

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

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

The Consolidated Schedule of Investments includes certain revolving loan facilities and other commitments held by the Partnership with unfunded balances at September 30, 2015 and December 31, 2014 as follows:

| Issuer | Maturity | Unfunded Balances | |
|--|------------|-----------------------|----------------------|
| | | September 30, 2015 | December 31, 2014 |
| ABG Intermediate Holdings 2, LLC | 5/27/2022 | \$ 534,571 | \$ N/A |
| AP Gaming I, LLC | 12/20/2018 | 12,500,000 | 7,500,000 |
| Acrisure, LLC | 11/19/2022 | 4,680,367 | 4,482,352 |
| Alpheus Communications, LLC | 5/31/2018 | 1,072,256 | 749,919 |
| Anuvia Plant Nutrients Holdings, LLC (VitAG) | 2/1/2018 | 4,300,000 | 4,300,000 |
| Asset International, Inc. | 7/31/2020 | 1,180,920 | 3,753,551 |
| Blue Coat Systems, Inc. | 5/31/2018 | N/A | 12,000,000 |
| Cargojet Airways, LTD. | 1/31/2023 | 14,457,306 | N/A |
| Central MN Renewables, LLC | 1/16/2016 | 2,100,000 | N/A |
| Daymark Financial Acceptance, LLC | 1/12/2020 | 20,000,000 | N/A |
| Edmentum, Inc. | 6/9/2020 | 3,368,586 | N/A |
| Enerwise Global Technologies, Inc. | 11/30/2017 | 7,500,000 | 7,500,000 |
| InMobi, Inc. | 9/1/2018 | 11,854,959 | N/A |
| MediMedia USA, Inc. | 5/20/2018 | 3,642,500 | 3,875,000 |
| Mesa Air Group, Inc. | 7/15/2022 | 13,575,000 | 13,575,000 |
| NEXTracker, Inc. | 7/1/2016 | N/A | 15,000,000 |
| Redaptive, Inc. | 7/1/2018 | 15,000,000 | N/A |
| RM OpCo, LLC (Real Mex) | 3/30/2018 | 1,259,355 | 1,889,033 |
| SoundCloud Limited | 10/1/2018 | 9,014,286 | N/A |
| SunEdison, Inc. | 2/28/2017 | 9,379,246 | 9,379,246 |
| Vistronix, LLC | 12/4/2018 | 342,597 | 570,996 |
| Waterfall International, Inc. | 9/1/2018 | 3,200,000 | N/A |
| Total Unfunded Balances | | \$ 138,961,949 | \$ 84,575,096 |

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

6. Related Party Transactions

The Company, the Partnership, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Partnership advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. From time to time, the Advisor advances payments to third parties on behalf of the Company and the Partnership and receives reimbursement from the Company and the Partnership. At September 30, 2015, amounts reimbursable to the Advisor totaled \$731,172, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to administration agreements between the Administrator and each of the Company and the Partnership (the "Administration Agreements"), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Company or the Partnership, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Company or the Partnership. For the nine months ended September 30, 2015 and 2014, expenses allocated pursuant to the Administration Agreements totaled \$1,118,418 and \$1,002,418, respectively.

On November 25, 2014, the Company and the Partnership obtained an exemptive order (the "Exemptive Order") from the Securities and Exchange Commission permitting the Company and the Partnership to purchase certain investments from affiliated investment companies at fair value. The Exemptive Order exempts the Company and the Partnership from provisions of Sections 17(a) and 57(a) of the 1940 Act which would otherwise restrict such transfers. All such purchases are subject to the conditions set forth in the Exemptive Order, which among others include certain procedures to verify that each purchase is done at the current fair value of the respective investment. During the nine months ended September 30, 2015, the Company purchased approximately \$94.5 million of investments from affiliates (as defined in the 1940 Act), which were classified as Level 2 in the GAAP valuation hierarchy at the time of the transfer and the selling party has no continuing involvement in the transferred assets. All of the transfers were consummated in accordance with the provisions of the Exemptive Order and were accounted for as a purchase in accordance with ASC 860, Transfers and Servicing.

7. Stockholders' Equity and Dividends

The following table summarizes the total shares issued and proceeds received in the public offering of the Company's common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company's dividend reinvestment plan for the nine months ended September 30, 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 | 404 | 14.86* | 6,012 |

*Weighted-average price per share

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

7. Stockholders' Equity and Dividends (continued)

The following table summarizes the total shares issued and proceeds received in the public offering 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, 2014.

| | Shares Issued | Price Per Share | Net Proceeds |
|---|------------------|-----------------------|---------------|
| August 1, 2014 public offering | 6,210,000 | \$17.33 | \$103,940,721 |
| November 26, 2014 public offering | 5,900,000 | 17.05 | 97,198,756 |
| At-the-market offerings | 400,225 | 16.04* | 6,420,426 |
| Shares issued from dividend reinvestment plan | 456 | 16.86* | 7,687 |

*Weighted-average price per share

The Company's dividends are recorded on the ex-dividend date. The following table summarizes the Company's dividends declared and paid for the nine months ended September 30, 2015:

| Date Declared | Record Date | Payment Date | Type | Amount Per Share | Total Amount |
|----------------|--------------------|-----------------------|---------|------------------------|-----------------|
| March 10, 2015 | March 19, 2015 | March 31, 2015 | Regular | \$ 0.36 | \$ 17,535,826 |
| May 7, 2015 | June 16, 2015 | June 30, 2015 | Regular | 0.36 | 17,625,370 |
| August 6, 2015 | September 16, 2015 | September 30, 2015 | Regular | 0.36 | 17,625,310 |
| | | | | \$ 1.08 | \$ 52,786,506 |

The following table summarizes the Company's dividends declared and paid for the nine months ended September 30, 2014:

| Date Declared | Record Date | Payment Date | Type | Amount Per Share | Total Amount |
|----------------|--------------------|-------------------|---------|------------------------|-----------------|
| March 6, 2014 | March 17, 2014 | March 31, 2014 | Regular | \$ 0.36 | \$13,031,970 |
| May 7, 2014 | June 18, 2014 | June 30, 2014 | Regular | 0.36 | 13,032,007 |
| May 7, 2014 | June 18, 2014 | June 30, 2014 | Special | 0.05 | 1,810,001 |
| August 7, 2014 | September 16, 2014 | September 3, 2014 | Regular | 0.36 | 15,267,647 |
| | | | | \$ 1.13 | \$43,141,625 |

On February 24, 2015, the Company's board of directors approved a stock repurchase plan (the "Company Repurchase Plan") to acquire up to \$50 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. Unless extended or terminated by its board of directors, the Company expects that the Company Repurchase Plan will be in effect through the earlier of two trading days after the Company's third quarter 2015 earnings release or such time as the approved \$50 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 nine months ended September 30, 2015.

| | Shares Repurchased | Price Per Share | Total Cost |
|-------------------------|-----------------------|-----------------------|------------|
| Company Repurchase Plan | 25,147 | \$14.81* | \$372,843 |

*Weighted-average price per share

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

8. Earnings Per Share

In accordance with ASC 260, Earnings per Share, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the nine months ended September 30, 2015 and 2014:

| | Nine Months Ended September 30, 2015 | Nine Months Ended September 30, 2014 |
|--|--|--|
| Net increase in net assets applicable to common shareholders resulting from operations | \$56,977,873 | \$41,601,674 |
| Weighted average shares outstanding | 48,858,263 | 37,507,497 |
| Earnings per share | \$1.17 | \$1.11 |

9. Subsequent Events

On November 3, 2015, the Company's board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company's annual 2015 earnings release or such time as the approved \$50 million repurchase amount has been fully utilized, subject to certain conditions.

On November 3, 2015, the board of directors of the Company voted to add an additional independent director, Brian F. Wruble, to the board of directors effective as of November 5, 2015.

On November 5, 2015, the Company's board of directors declared a fourth quarter regular dividend of \$0.36 per share payable on December 31, 2015 to stockholders of record as of the close of business on December 17, 2015.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Unaudited) (Continued)

September 30, 2015

10. Financial Highlights

| | Nine Months Ended | | | |
|--|-------------------|------|------------|----|
| | September 30, | | | |
| | 2015 | 2014 | | |
| Per Common Share | | | | |
| Per share NAV at beginning of period | \$ 15.01 | | \$ 15.18 | |
| Investment operations: | | | | |
| Net investment income | 1.52 | | 1.48 | |
| Net realized and unrealized losses | (0.07 |) | (0.06 |) |
| Dividends on Series A preferred equity facility | (0.01 |) | (0.03 |) |
| Incentive allocation reserve and distributions | (0.30 |) | (0.28 |) |
| Total from investment operations | 1.14 | | 1.11 | |
| Issuance of common stock | - | | 0.20 | |
| Issuance of convertible debt | - | | 0.07 | |
| Repurchase of Series A preferred interests | 0.03 | | - | |
| Distributions to common shareholders from: | | | | |
| Net investment income | (1.08 |) | (1.13 |) |
| Per share NAV at end of period | \$ 15.10 | | \$ 15.43 | |
| Per share market price at end of period | \$ 13.56 | | \$ 16.07 | |
| Total return based on market value ^{(1), (2)} | (12.8 | %) | 2.5 | %) |
| Total return based on net asset value ^{(1),(3)} | 7.8 | %) | 9.1 | %) |
| Shares outstanding at end of period | 48,934,498 | | 42,410,242 | |

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TCP Capital Corp.

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

Nine Months Ended September 30, 2015

10. Financial Highlights (continued)

| | Nine Months Ended September | | | |
|---|-----------------------------|---|----------------|---|
| | 30, | | | |
| | 2015 | | 2014 | |
| Ratios to average common equity: ^{(4), (5)} | | | | |
| Net investment income ⁽⁶⁾ | 11.5 | % | 11.0 | % |
| Expenses | 5.9 | % | 4.4 | % |
| Expenses and incentive allocation ⁽⁷⁾ | 7.9 | % | 6.3 | % |
| Ending common shareholder equity | \$ 738,899,630 | | \$ 654,553,128 | |
| Portfolio turnover rate | 25.3 | % | 20.2 | % |
| Weighted-average leverage outstanding ⁽⁸⁾ | \$ 505,921,876 | | \$ 179,507,606 | |
| Weighted-average interest rate on leverage ⁽⁹⁾ | 3.0 | % | 3.0 | % |
| Weighted-average number of common shares | 48,858,263 | | 37,507,497 | |
| Average leverage per share ⁽⁸⁾ | \$ 10.35 | | \$ 4.79 | |

⁽¹⁾Not annualized.⁽²⁾Total return based on market value equals the change in ending market value per share during the period plus declared dividends per share during the period, divided by the market value per share at the beginning of the period.⁽³⁾Total return based on net asset value equals the change in net asset value per share during the period plus declared dividends per share during the period, divided by the beginning net asset value per share at the beginning of the period.⁽⁴⁾Annualized, except for incentive allocation.⁽⁵⁾These ratios include interest expense but do not reflect the effect of dividends on the preferred equity facility.⁽⁶⁾Net of incentive allocation.⁽⁷⁾Includes incentive allocation payable to the General Partner and all Company expenses.⁽⁸⁾Includes both debt and preferred leverage.⁽⁹⁾Includes dividends on the preferred leverage facility.

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TCP Capital Corp.

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

Nine Months Ended September 30, 2015

| Security | Dividends or Interest (2) | Fair Value at December 31, 2014 | Acquisitions (3) | Dispositions (4) | Fair Value at September 30, 2015 |
|--|------------------------------------|--|---------------------|------------------|---|
| AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16 | \$443,132 | \$4,869,577 | \$- | \$- | \$4,869,577 |
| AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16 | 764,610 | 9,017,764 | 250,236 | - | 9,268,000 |
| Anacomp, Inc., Class A Common Stock | - | 916,535 | 665,429 | - | 1,581,964 |
| Edmentum Ultimate Holdings, LLC, Junior PIK Notes, 10%, due 6/9/20 | - | - | 11,737,772 | (673,951) | 11,063,821 |
| Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20 | - | - | 2,557,459 | - | 2,557,459 |
| Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20 | - | - | 2,105,370 | (2,105,366) | 3 |
| Edmentum Ultimate Holdings, LLC, Class A Common Units | - | - | 680,218 | - | 680,218 |
| EPMC HoldCo, LLC, Membership Units | - | 682,614 | - | - | 682,614 |
| Essex Ocean II, LLC, Membership Units | - | - | 199,430 | - | 199,430 |
| Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18 | 996,866 | 14,656,950 | 120,478 | (263,201) | 14,514,227 |
| KAGY Holding Company, Inc., Series A Preferred Stock | - | 121,975 | 4,243,350 | - | 4,365,325 |
| N659UA Aircraft Secured Mortgage, 12%, due 2/28/16 | 104,586 | 1,659,003 | - | (999,744) | 659,259 |
| N661UA Aircraft Secured Mortgage, 12%, due 5/4/16 | 117,000 | 1,899,950 | - | (992,327) | 907,623 |
| N913DL Aircraft Secured Mortgage, 8%, due 3/15/17 | 10,286 | 209,168 | - | (69,556) | 139,612 |
| N918DL Aircraft Secured Mortgage, 8%, due 8/15/18 | 17,033 | 320,440 | - | (61,508) | 258,932 |
| N954DL Aircraft Secured Mortgage, 8%, due 3/20/19 | 23,762 | 437,679 | 315 | (70,535) | 367,458 |
| N955DL Aircraft Secured Mortgage, 8%, due 6/20/19 | 25,167 | 460,258 | 539 | (67,833) | 392,963 |
| N956DL Aircraft Secured Mortgage, 8%, due 5/20/19 | 24,993 | 457,902 | 479 | (68,984) | 389,397 |
| N957DL Aircraft Secured Mortgage, 8%, due 6/20/19 | 25,387 | 464,283 | 544 | (68,425) | 396,402 |
| N959DL Aircraft Secured Mortgage, 8%, due 7/20/19 | 25,778 | 470,601 | 612 | (67,874) | 403,338 |
| | 27,156 | 493,258 | 831 | (66,777) | 427,312 |

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| | | | | | |
|--|---------|-----------|-----------|-------------|-------------|
| N960DL Aircraft Secured Mortgage, 8%, due 10/20/19 | | | | | |
| N961DL Aircraft Secured Mortgage, 8%, due 8/20/19 | 26,608 | 484,908 | 694 | (68,460) |) 417,143 |
| N976DL Aircraft Secured Mortgage, 8%, due 2/15/18 | 19,410 | 314,588 | - | (71,456) |) 243,132 |
| N913DL Equipment Trust Beneficial Interests | 18,399 | 117,497 | 67,498 | (74,879) |) 110,116 |
| N918DL Equipment Trust Beneficial Interests | 15,200 | 135,890 | 60,946 | (67,037) |) 129,800 |
| N954DL Equipment Trust Beneficial Interests | 15,208 | 72,604 | 84,638 | (80,813) |) 76,429 |
| N955DL Equipment Trust Beneficial Interests | 14,331 | 111,010 | 77,650 | (79,828) |) 108,833 |
| N956DL Equipment Trust Beneficial Interests | 14,449 | 106,800 | 79,184 | (80,927) |) 105,056 |
| N957DL Equipment Trust Beneficial Interests | 14,229 | 107,682 | 78,827 | (80,593) |) 105,915 |
| N959DL Equipment Trust Beneficial Interests | 14,013 | 108,579 | 78,478 | (80,261) |) 106,796 |
| N960DL Equipment Trust Beneficial Interests | 13,283 | 107,865 | 78,555 | (80,008) |) 106,411 |
| N961DL Equipment Trust Beneficial Interests | 13,607 | 102,826 | 80,388 | (81,410) |) 101,805 |
| N976DL Equipment Trust Beneficial Interests | 14,916 | 102,006 | 75,991 | (76,920) |) 101,078 |
| RM Holdco, LLC, Equity Participation | - | 792 | - | (792) |) - |
| RM Holdco, LLC, Membership Units | - | - | - | - | - |
| RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16 | 204,710 | 3,900,025 | 13,996 | (149,762) |) 3,764,259 |
| RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18 | 544,806 | 6,457,325 | 542,885 | (1,893,876) |) 5,106,334 |
| RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18 | 177,706 | 2,567,717 | 180,623 | (9,650) |) 2,738,690 |
| RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18 | 123,274 | 1,636,314 | 122,889 | (13,934) |) 1,745,268 |
| RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18 | 80,483 | 631,164 | 705,314 | - |) 1,336,478 |
| United N659UA-767, LLC (N659UA) | 418,257 | 3,177,822 | 937,274 | (804,361) |) 3,310,735 |
| United N661UA-767, LLC (N661UA) | 412,105 | 3,078,923 | 908,965 | (748,785) |) 3,239,103 |
| Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units | - | 4,175,000 | 1,050,000 | (1,026,500) |) 4,198,500 |

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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

(3) Acquisitions include new purchases, PIK income and net unrealized appreciation.

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

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TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates ⁽¹⁾

Year Ended December 31, 2014

| Security | Dividends or Interest ⁽²⁾ | Fair Value at January 1, 2014 | Acquisitions ⁽³⁾ | Dispositions ⁽⁴⁾ | Fair Value at December 31, 2014 |
|--|--|--|--------------------------------|-----------------------------|--|
| AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16 | \$327,716 | \$2,056,927 | \$2,812,650 | \$ - | \$4,869,577 |
| AGY Holding Corporation, Senior Secured 2nd Lien Notes, 11%, due 11/15/16 | 1,019,480 | 9,268,000 | - | (250,236) | 9,017,764 |
| Anacomp, Inc., Class A Common Stock | - | 1,004,422 | - | (87,887) | 916,535 |
| EPMC HoldCo, LLC, Membership Units | - | 1,562,137 | 969,968 | (1,849,491) | 682,614 |
| ESP Holdings, Inc., Cumulative Preferred 15% | 1,968,748 | 3,947,862 | 239,170 | (4,187,032) | - |
| ESP Holdings, Inc., Common Stock | 289,315 | 2,856,346 | 6,981,836 | (9,838,181) | - |
| ESP Holdings, Inc., Junior Unsecured Subordinated Promissory Notes, 6% Cash + 10% PIK, due 12/31/19 | 205,175 | 7,959,369 | - | (7,959,369) | - |
| Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18 | 1,344,702 | 15,097,500 | 1,500 | (442,050) | 14,656,950 |
| KAGY Holding Company, Inc., Series A Preferred Stock | - | 662,134 | - | (540,159) | 121,975 |
| N510UA Aircraft Secured Mortgage, 20%, due 10/26/16 | 52,092 | 404,605 | - | (404,605) | - |
| N512UA Aircraft Secured Mortgage, 20%, due 10/26/16 | 53,275 | 414,010 | - | (414,010) | - |
| N536UA Aircraft Secured Mortgage, 16%, due 9/29/14 | 4,678 | 114,000 | - | (114,000) | - |
| N545UA Aircraft Secured Mortgage, 16%, due 8/29/15 | 25,964 | 275,405 | - | (275,405) | - |
| N585UA Aircraft Secured Mortgage, 20%, due 10/25/16 | 27,571 | 486,115 | - | (486,115) | - |
| N659UA Aircraft Secured Mortgage, 12%, due 2/28/16 | 262,962 | 2,948,986 | - | (1,289,983) | 1,659,003 |
| N661UA Aircraft Secured Mortgage, 12%, due 5/4/16 | 274,461 | 3,171,026 | - | (1,271,076) | 1,899,950 |
| N510UA Equipment Trust Beneficial Interests | 86,342 | 465,625 | 285,805 | (751,430) | - |
| N512UA Equipment Trust Beneficial Interests | 85,549 | 458,277 | 281,999 | (740,276) | - |
| N536UA Equipment Trust Beneficial Interests | 40,259 | 656,766 | 80,397 | (737,163) | - |
| N545UA Equipment Trust Beneficial Interests | 107,483 | 641,840 | 163,935 | (805,775) | - |

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| | | | | | |
|--|-----------|-----------|-----------|-------------|-------------|
| N585UA Equipment Trust Beneficial Interests | 31,098 | 571,706 | 322,126 | (893,832) |) - |
| N913DL Aircraft Secured Mortgage, 8%, due 3/15/17 | 19,714 | 296,820 | - | (87,652) |) 209,168 |
| N918DL Aircraft Secured Mortgage, 8%, due 8/15/18 | 28,023 | 397,290 | - | (76,850) |) 320,440 |
| N954DL Aircraft Secured Mortgage, 8%, due 3/20/19 | 37,801 | 524,620 | - | (86,941) |) 437,679 |
| N955DL Aircraft Secured Mortgage, 8%, due 6/20/19 | 39,443 | 543,320 | - | (83,062) |) 460,258 |
| N956DL Aircraft Secured Mortgage, 8%, due 5/20/19 | 39,309 | 542,640 | - | (84,738) |) 457,902 |
| N957DL Aircraft Secured Mortgage, 8%, due 6/20/19 | 39,787 | 548,250 | - | (83,967) |) 464,283 |
| N959DL Aircraft Secured Mortgage, 8%, due 7/20/19 | 40,262 | 553,520 | - | (82,919) |) 470,601 |
| N960DL Aircraft Secured Mortgage, 8%, due 10/20/19 | 42,013 | 574,430 | - | (81,172) |) 493,258 |
| N961DL Aircraft Secured Mortgage, 8%, due 8/20/19 | 41,423 | 568,310 | - | (83,402) |) 484,908 |
| N976DL Aircraft Secured Mortgage, 8%, due 2/15/18 | 28,046 | 404,600 | - | (90,012) |) 314,588 |
| N913DL Equipment Trust Beneficial Interests | 18,477 | 125,970 | 85,559 | (94,032) |) 117,497 |
| N918DL Equipment Trust Beneficial Interests | 14,907 | 142,970 | 82,257 | (89,336) |) 135,890 |
| N954DL Equipment Trust Beneficial Interests | 14,119 | 68,000 | 112,356 | (107,752) |) 72,604 |
| N955DL Equipment Trust Beneficial Interests | 13,186 | 113,560 | 103,886 | (106,436) |) 111,010 |
| N956DL Equipment Trust Beneficial Interests | 13,244 | 108,800 | 105,904 | (107,904) |) 106,800 |
| N957DL Equipment Trust Beneficial Interests | 12,996 | 109,650 | 105,488 | (107,456) |) 107,682 |
| N959DL Equipment Trust Beneficial Interests | 12,756 | 110,500 | 105,095 | (107,016) |) 108,579 |
| N960DL Equipment Trust Beneficial Interests | 11,868 | 109,650 | 104,892 | (106,676) |) 107,865 |
| N961DL Equipment Trust Beneficial Interests | 12,161 | 103,870 | 107,504 | (108,548) |) 102,826 |
| N976DL Equipment Trust Beneficial Interests | 13,666 | 103,033 | 101,533 | (102,560) |) 102,006 |
| RM Holdco, LLC, Equity Participation | - | - | - | - | - |
| RM Holdco, LLC, Membership Units | - | - | - | - | - |
| RM Holdco, LLC, Subordinated | - | - | - | - | - |
| Convertible Term Loan, 1.12% PIK, due 3/21/18 | 58,663 | 2,197,621 | 3,026,338 | (5,223,959) |) - |
| RM OpCo, LLC, Senior Secured 1st Lien Term Loan Tranche A, 7%, due 3/21/16 | 400,651 | 3,626,947 | 465,190 | (192,112) |) 3,900,025 |
| RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18 | 1,349,228 | 6,825,328 | 1,327,860 | (1,695,863) |) 6,457,325 |

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| | | | | | | |
|---|---------|-----------|-----------|----------|---|-----------|
| RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18 | 444,445 | 2,150,088 | 437,146 | (19,517 |) | 2,567,717 |
| RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18 | 279,505 | 1,370,199 | 274,827 | (8,712 |) | 1,636,314 |
| RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18 | 6,107 | - | 631,164 | | | 631,164 |
| United N659UA-767, LLC (N659UA) | 443,575 | 2,840,323 | 1,126,014 | (788,515 |) | 3,177,822 |
| United N661UA-767, LLC (N661UA) | 436,533 | 2,852,677 | 1,092,004 | (865,758 |) | 3,078,923 |
| Wasserstein Cosmos Co-Invest, L.P., Limited Partnership Units | - | 5,000,000 | - | (825,000 |) | 4,175,000 |

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers (Unaudited)

September 30, 2015

| Investment | Acquisition Date |
|---|------------------|
| Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19 | 9/26/13 |
| BlackLine Intermediate, Inc., Warrants to Purchase Common Stock | 9/25/13 |
| BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17 | 3/5/12 |
| Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19 | 10/19/12 |
| Findly Talent, LLC, Membership Units | 1/1/14 |
| Flight Options Holdings I, Inc. (One Sky), Warrants to Purchase Common Stock | 12/4/13 |
| Fuse Media, LLC, Warrants to Purchase Common Stock | 8/3/12 |
| Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19 | 6/18/14 |
| Green Biologics, Inc., Warrants to Purchase Stock | 12/22/14 |
| Hunt Companies, Inc., Senior Secured Notes, 9.625%, due 3/1/21 | 2/25/14 |
| Integra Telecom, Inc., Common Stock | 11/19/09 |
| Integra Telecom, Inc., Warrants | 11/19/09 |
| Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18 | 5/8/13 |
| Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21 | 8/1/13 |
| Marsico Holdings, LLC Common Interest Units | 9/10/12 |
| NEXTracker, Inc., Series B Preferred Stock | Var. 2014 & 2015 |
| NEXTracker, Inc., Series C Preferred Stock | 6/12/15 |
| Precision Holdings, LLC, Class C Membership Interests | Var. 2010 & 2011 |
| Rightside Group, Ltd, Warrants | 8/6/14 |
| Shop Holding, LLC (Connexity), Class A Units | 6/2/11 |
| Shop Holding, LLC (Connexity), Warrants to Purchase Class A Units | 6/2/11 |
| Soraa, Inc., Warrants to Purchase Common Stock | 8/29/14 |
| SoundCloud, Ltd., Warrants to Purchase Preferred Stock | 4/30/2015 |
| STG-Fairway Holdings, LLC (First Advantage), Class A Units | 12/30/10 |
| The Telx Group, Inc., Senior Notes, 13.5% PIK, due 7/9/21 | 4/9/14 |
| Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18 | 11/13/13 |
| V Telecom Investment S.C.A. (Vivacom), Common Shares | 11/9/12 |
| Waterfall International, Inc., Series B Preferred Stock | 9/16/2015 |
| Waterfall International, Inc., Warrants to Purchase Stock | 9/16/2015 |

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TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2014

| Investment | Acquisition Date |
|--|------------------|
| Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19 | 9/26/13 |
| BlackLine Intermediate, Inc., Warrants to Purchase Common Stock | 9/25/13 |
| BPA Laboratories, Inc., Senior Secured Notes, 12.25%, due 4/1/17 (144A) | 3/5/12 |
| Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19 | 10/19/12 |
| Carolina Beverage Group, LLC, Secured Notes, 10.625%, due 8/1/18 | 7/26/13 |
| Constellation Enterprises, LLC, Senior Secured 1st Lien Notes, 10.625%, due 2/1/16 | 1/20/11 |
| Findly Talent, LLC, Membership Units | 1/1/14 |
| Flight Options Holdings I, Inc., Warrants to Purchase Common Stock | 12/4/13 |
| Green Biologics, Inc., Warrants to purchase Stock | 12/22/14 |
| Hunt Companies, Inc., Senior Secured Notes, 9.625%, due 3/1/21 | 2/25/14 |
| Ichor Systems Holdings, LLC, Membership Units | Var. 2009 & 2010 |
| Integra Telecom, Inc., Common Stock | 11/19/09 |
| Integra Telecom, Inc., Warrants | 11/19/09 |
| Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18 | 5/8/13 |
| Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21 | 8/1/13 |
| Marsico Holdings, LLC Common Interest Units | 9/10/12 |
| NEXTracker, Inc., Series B Preferred Stock | 12/17/14 |
| NEXTracker, Inc., Warrants to purchase Stock | 12/17/14 |
| Precision Holdings, LLC, Class C Membership Interests | Var. 2010 & 2011 |
| Rightside Group, Ltd, Warrants | 8/6/14 |
| Shop Holding, LLC, Class A Units | 6/2/11 |
| Shop Holding, LLC, Convertible Promissory Note, 5%, due 8/5/15 | 2/5/14 |
| Shop Holding, LLC, Warrants to Purchase Class A Units | 6/2/11 |
| SiTV, Inc., Senior Secured Notes, 10.375%, due 7/1/19 | 6/18/14 |
| SiTV, Inc., Warrants to Purchase Common Stock | 8/3/12 |
| Soraa, Inc., Warrants to Purchase Common Stock | 8/29/14 |
| STG-Fairway Holdings, LLC, Class A Units | 12/30/10 |
| The Telx Group, Inc., Senior Notes, 13.5% PIK, due 7/9/21 | 4/9/14 |
| Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18 | 11/13/13 |
| V Telecom Investment S.C.A, Common Shares | 11/9/12 |

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities (Unaudited)

September 30, 2015

| | TCP Capital Corp. Standalone | Special Value Continuation Partners, LP Consolidated | Eliminations | TCP Capital Corp. Consolidated |
|--|------------------------------------|---|-----------------|--------------------------------------|
| Assets | | | | |
| Investments: | | | | |
| Companies less than 5% owned | \$- | \$1,187,883,822 | \$- | \$1,187,883,822 |
| Companies 5% to 25% owned | - | 66,890,774 | - | 66,890,774 |
| Companies more than 25% owned | - | 14,386,043 | - | 14,386,043 |
| Investment in subsidiary | 844,221,411 | - | (844,221,411) | - |
| Total investments | 844,221,411 | 1,269,160,639 | (844,221,411) | 1,269,160,639 |
| Cash and cash equivalents | - | 34,582,869 | - | 34,582,869 |
| Deferred debt issuance costs | 2,545,331 | 7,298,942 | - | 9,844,273 |
| Receivable for investment securities sold | - | 1,969,722 | - | 1,969,722 |
| Accrued interest income | - | 14,029,310 | - | 14,029,310 |
| Unrealized appreciation on swaps | - | 2,868,748 | - | 2,868,748 |
| Options (cost \$51,750) | - | - | - | - |
| Prepaid expenses and other assets | 607,048 | 774,508 | - | 1,381,556 |
| Total assets | 847,373,790 | 1,330,684,738 | (844,221,411) | 1,333,837,117 |
| Liabilities | | | | |
| Debt | 106,005,233 | 469,300,000 | - | 575,305,233 |
| Payable for investment securities purchased | - | 7,847,520 | - | 7,847,520 |
| Incentive allocation payable | - | 4,838,534 | - | 4,838,534 |
| Interest payable | 1,665,416 | 1,914,612 | - | 3,580,028 |
| Payable to the Advisor | 350,526 | 380,646 | - | 731,172 |
| Accrued expenses and other liabilities | 452,985 | 2,182,015 | - | 2,635,000 |
| Total liabilities | 108,474,160 | 486,463,327 | - | 594,937,487 |
| Non-controlling interest | | | | |
| General Partner interest in Special Value Continuation Partners, LP | - | - | - | - |
| Net assets | \$738,899,630 | \$844,221,411 | \$(844,221,411) | \$738,899,630 |
| Composition of net assets | | | | |
| Common stock | \$48,934 | \$- | \$- | \$48,934 |
| Additional paid-in capital | 880,682,891 | 982,458,328 | (982,458,328) | 880,682,891 |
| Accumulated deficit | (141,832,195) | (138,236,917) | 138,236,917 | (141,832,195) |
| Net assets | \$738,899,630 | \$844,221,411 | \$(844,221,411) | \$738,899,630 |

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2014

| | TCP Capital Corp. Standalone | Special Value Continuation Partners, LP Consolidated | Eliminations | TCP Capital Corp. Consolidated |
|---|------------------------------------|---|-----------------|--------------------------------------|
| Assets | | | | |
| Investments: | | | | |
| Companies less than 5% owned | \$- | \$1,081,901,384 | \$- | \$1,081,901,384 |
| Companies 5% to 25% owned | - | 48,716,425 | - | 48,716,425 |
| Companies more than 25% owned | - | 15,918,077 | - | 15,918,077 |
| Investment in subsidiary | 833,816,090 | - | (833,816,090) | - |
| Total investments | 833,816,090 | 1,146,535,886 | (833,816,090) | 1,146,535,886 |
| Cash and cash equivalents | - | 27,268,792 | - | 27,268,792 |
| Receivable for investment securities sold | - | 10,961,369 | - | 10,961,369 |
| Accrued interest income | - | 9,504,438 | - | 9,504,438 |
| Deferred debt issuance costs | 3,058,913 | 4,642,075 | - | 7,700,988 |
| Unrealized appreciation on swaps | - | 1,717,610 | - | 1,717,610 |
| Options (cost \$51,750) | - | 497 | - | 497 |
| Receivable from subsidiary | 1,031,498 | - | (1,031,498) | - |
| Prepaid expenses and other assets | 176,692 | 2,000,525 | - | 2,177,217 |
| Total assets | 838,083,193 | 1,202,631,192 | (834,847,588) | 1,205,866,797 |
| Liabilities | | | | |
| Debt | 105,696,830 | 223,000,000 | - | 328,696,830 |
| Incentive allocation payable | - | 4,303,040 | - | 4,303,040 |
| Payable for investment securities purchased | - | 2,049,518 | - | 2,049,518 |
| Interest payable | 247,917 | 1,263,064 | - | 1,510,981 |
| Payable to the Investment Manager | 130,967 | 328,860 | - | 459,827 |
| Payable to parent | - | 1,031,498 | (1,031,498) | - |
| Accrued expenses and other liabilities | 878,451 | 2,341,332 | - | 3,219,783 |
| Total liabilities | 106,954,165 | 234,317,312 | (1,031,498) | 340,239,979 |
| Preferred equity facility | | | | |
| Series A preferred limited partner interests | - | 134,000,000 | - | 134,000,000 |
| Accumulated dividends on Series A preferred equity facility | - | 497,790 | - | 497,790 |
| Total preferred limited partner interests | - | 134,497,790 | - | 134,497,790 |
| Non-controlling interest | | | | |
| General Partner interest in Special Value Continuation Partners, LP | - | - | - | - |
| Net assets | \$731,129,028 | \$833,816,090 | \$(833,816,090) | \$731,129,028 |

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Composition of net assets

| | | | | |
|----------------------------|---------------|----------------|-----------------|----------------|
| Common stock | \$48,710 | \$- | \$- | \$48,710 |
| Additional paid-in capital | 877,103,880 | 978,731,888 | (978,731,888) | 877,103,880 |
| Accumulated deficit | (146,023,562) | (144,915,798) | 144,915,798 | (146,023,562) |
| Non-controlling interest | - | - | - | - |
| Net assets | \$731,129,028 | \$833,816,090 | \$(833,816,090) | \$731,129,028 |

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TCP Capital Corp.

Consolidating Statement of Operations (Unaudited)

Nine Months Ended September 30, 2015

| | TCP Capital Corp. Standalone | Special Value Continuation Partners, LP Consolidated | Eliminations | TCP Capital Corp. Consolidated |
|--|---------------------------------------|---|--------------|--------------------------------------|
| Investment income | | | | |
| Interest income: | | | | |
| Companies less than 5% owned | \$- | \$98,581,508 | \$ - | \$98,581,508 |
| Companies 5% to 25% owned | - | 3,828,262 | - | 3,828,262 |
| Companies more than 25% owned | - | 444,168 | - | 444,168 |
| Lease income: | | | | |
| Companies more than 25% owned | - | 978,000 | - | 978,000 |
| Other income: | | | | |
| Companies less than 5% owned | 153,217 | 3,267,066 | - | 3,420,283 |
| Total investment income | 153,217 | 107,099,004 | - | 107,252,221 |
| Operating expenses | | | | |
| Management and advisory fees | - | 13,681,411 | - | 13,681,411 |
| Interest expense | 4,560,902 | 5,927,481 | - | 10,488,383 |
| Legal fees, professional fees and due diligence expenses | 1,287,695 | 706,876 | - | 1,994,571 |
| Amortization of deferred debt issuance costs | 513,581 | 1,109,752 | - | 1,623,333 |
| Administration expenses | - | 1,177,357 | - | 1,177,357 |
| Commitment fees | - | 919,649 | - | 919,649 |
| Insurance expense | 90,505 | 182,172 | - | 272,677 |
| Director fees | 76,622 | 156,843 | - | 233,465 |
| Custody fees | 2,625 | 211,516 | - | 214,141 |
| Other operating expenses | 921,473 | 1,260,979 | - | 2,182,452 |
| Total expenses | 7,453,403 | 25,334,036 | - | 32,787,439 |
| Net investment income (loss) | (7,300,186) | | | |