SEARS HOLDINGS CORP
Form 8-K
October 19, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 18, 2017

SEARS HOLDINGS CORPORATION

(Exact name of registrant as specified in charter)

Delaware (State or Other Jurisdiction of Incorporation)	000-51217, 001-36693 (Commission File Number)	20-1920798 (IRS Employer Identification No.)

3333 Beverly Road Hoffman Estates, Illinois (Address of principal executive offices)	60179 (Zip code)

Registrant s telephone number, including area code: (847) 286-2500

(Former name or former address, if changed since last report): Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

The information required by Item 1.01 is included in Item 2.03 below and is incorporated by reference herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On October 18, 2017, Sears Holdings Corporation (the Company), through Sears, Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc., Troy Coolidge No. 13, LLC, Sears Development Co. and Big Beaver of Florida Development, LLC (collectively, Borrowers), entities wholly-owned and controlled, directly or indirectly by the Company, entered into a Second Amended and Restated Loan Agreement (the Second Amended and Restated Loan Agreement), which amended and restated its Amended and Restated Loan Agreement, dated as of October 4, 2017, with JPP, LLC and JPP II, LLC (collectively, the Lenders). On October 4, 2017, pursuant to the Amended and Restated Loan Agreement, the Borrowers borrowed $100 million (the Initial Incremental Loan) from the Lenders. On October 18, 2017, pursuant to the Second Amended and Restated Loan Agreement, the Borrowers borrowed an additional $40 million (the Second Incremental Loan) from the Lenders. After giving effect to the Second Incremental Loan, the aggregate principal amount outstanding under the Second Amended and Restated Loan Agreement was $524.1 million. Mr. Edward S. Lampert, the Company s Chief Executive Officer and Chairman, is the sole stockholder, chief executive officer and director of ESL Investments, Inc., which controls JPP, LLC and JPP II, LLC. Subject to the satisfaction of certain conditions, including pledging additional properties or other assets as collateral, up to an additional $60 million may be drawn by the Company prior to November 17, 2017 (the Additional Incremental Loan ; and the Additional Incremental Loan, if any, together with the Initial Incremental Loan and the Second Incremental Loan, the Incremental Loans). The Incremental Loans will all mature on the earlier of May 17, 2018 and 181 days following the date on which an Additional Incremental Loan is made. The remainder of the loans under the Second Amended and Restated Loan Agreement continue to mature on July 20, 2020. The Company expects to use the proceeds of the Incremental Loans for general corporate purposes.

The Incremental Loans have an annual interest rate of 11%, with accrued interest payable monthly. No upfront or funding fees will be paid in connection with the Incremental Loans. As with the existing loans under the Second Amended and Restated Loan Agreement, the Second Incremental Loan is guaranteed by the Company. The loans under the Second Amended and Restated Loan Agreement are currently secured by 66 real properties owned by the Borrowers.

The Second Amended and Restated Loan Agreement includes certain representations and warranties, indemnities and covenants, including with respect to the condition and maintenance of the real property collateral. The Second Amended and Restated Loan Agreement has certain events of default, including (subject to certain materiality thresholds and grace periods) payment default, failure to comply with covenants, material inaccuracy of representation or warranty, and bankruptcy or insolvency proceedings. If there is an event of default, the Lenders may declare all or any portion of the outstanding indebtedness to be immediately due and payable, exercise any rights they might have under the Second Amended and Restated Loan Agreement and related documents (including against the collateral), and require the Borrowers to pay a default interest rate equal to the greater of (i) 2.5% in excess of the base interest rate and (ii) the prime rate plus 1%.

The Second Amended and Restated Loan Agreement permits the Lenders to syndicate or participate all or a portion of the outstanding loans, and the Lenders have advised the Borrowers that they are amenable to syndicating all or a portion of the Incremental Loans to third parties on the same terms.

The foregoing description of the Incremental Loans and the Second Amended and Restated Loan Agreement does not purport to be complete and is qualified in its entirety by reference to the Second Amended and Restated Loan

Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 10.1	Second Amended and Restated Loan Agreement, dated as of October 18, 2017, among Sears Roebuck and Co., Kmart Stores of Illinois LLC, Kmart of Washington LLC, Kmart Corporation, SHC Desert Springs, LLC, Innovel Solutions, Inc., Sears Holdings Management Corporation, Maxserv, Inc., Troy Coolidge No. 13, LLC, Sears Development Co. and Big Beaver of Florida

Development, LLC, collectively as borrower, and JPP, LLC and JPP II, LLC, collectively as initial lender.

Private Securities Litigation Reform Act of 1995

Cautionary Statement Concerning Forward-Looking Statements

This Form 8-K contains forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements about the Company s ability to draw the remaining $60 million of Additional Incremental Loan contemplated by the Second Amended and Restated Loan Agreement. Forward-looking statements are subject to risks and uncertainties that may cause the Company s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company s management and are subject to significant risks and uncertainties. Factors that could cause actual results to differ from those set forth in the forward-looking statements include, but are not limited to, those discussed in this Form 8-K and those discussed in the Company s most recent Annual Report on Form 10-K and other filings with the Securities and Exchange Commission. The Company intends the forward-looking statements to speak only as of the time made and does not undertake to update or revise them as more information becomes available, except as required by law.

SIGNATURES

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

SEARS HOLDINGS CORPORATION

By: /s/ Robert A. Riecker

Robert A. Riecker

Chief Financial Officer

Date: October 19, 2017

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Caribbean Financial Group
(Cayman Islands)
Sr Secured Notes
Fixed

—

11.50%
11.50%

11/15/2019

$

26,975,000

$
26,829,614

$
26,705,250

2.19
%

E/G/H
Daymark Financial Acceptance, LLC
First Lien Delayed Draw Term Loan
LIBOR (Q)

—

9.50%
9.92%

1/12/2020

$
5,000,000

4,621,333

4,919,250

0.40
%

Greystone Select Holdings, LLC
First Lien Term Loan
LIBOR (Q)

1.00
%
8.00%
9.00%

3/26/2021

$
16,305,999

16,125,251

16,133,156

1.32
%

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

14,857,740

1.22
%

E/H

62,660,198

62,615,396

5.13
%

Oil and Gas Extraction

Jefferson Gulf Coast
Energy Partners, LLC
First Lien Term Loan B
Prime Rate

—

7.50%
11.00%

2/27/2018

$
14,812,500

14,714,767

13,479,375

1.11
%

MD America Energy, LLC
Second Lien Term Loan
LIBOR (Q)

1.00
%
8.50%
9.50%

8/4/2019

$
8,095,238

7,784,717

6,773,043

0.56
%

22,499,484

20,252,418

1.67

%

Other Information Services

Simmons Research, LLC
First Lien Term Loan
LIBOR (Q)

0.50
%
10.50%
11.13%

12/11/2020

$
5,128,936

5,026,844

5,026,357

0.41
%

TCH-2 Holdings, LLC (TravelClick)

Second Lien Term Loan
LIBOR (M)

1.00
%
7.75%
8.75%

11/6/2021

$
19,988,392

19,735,864

18,789,089

1.54
%

G

24,762,708

23,815,446

1.95
%

Other 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

0.40
%

B
AGY Holding Corp.
Second Lien Notes
Fixed

—

11.00%

11.00%

11/15/2016

$
9,268,000

7,586,317

9,268,000

0.76
%

B/E
Boomerang Tube, LLC
Second Lien Term Loan
LIBOR (Q)

1.50
%
9.50%
11.00%

10/11/2017

$
3,825,453

4,010,758

1,759,709

0.14
%

C
Boomerang Tube, LLC
Super Priority
Debtor-in-Possession
Prime Rate

—

10.00%
13.50%

11/30/2015

$
1,124,444

1,124,444

1,124,444

0.09
%

17,591,096

17,021,730

1.39
%

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

7,924,000

0.65
%

Other Publishing

MediMedia USA, Inc.
First Lien Revolver
LIBOR (M)

—

6.75%
7.18%

5/20/2018

$
3,456,500

2,886,378

3,003,668

0.25
%

MediMedia USA, Inc.
First Lien Term Loan
LIBOR (Q)

1.25
%
6.75%
8.00%

11/20/2018

$
5,681,239

5,582,994

5,425,584

0.45
%

G

8,469,372

8,429,252

0.70
%

Pharmaceuticals

Lantheus Medical Imaging, Inc.
First Lien Term Loan
LIBOR (Q)

1.00
%
6.00%
7.00%

6/30/2022

$
5,970,000

5,879,117

5,492,400

0.45
%

Plastics Manufacturing

Iracore International, Inc.
Sr Secured Notes
Fixed

—

9.50%
9.50%

6/1/2018

$
13,600,000

13,600,000

8,918,010

0.73
%

E/G

Radio and Television Broadcasting

Fuse, LLC
Sr Secured Notes
Fixed

—

10.38%
10.38%

7/1/2019

$
7,312,000

7,312,000

5,776,480

0.47
%

E/G
NEP/NCP Holdco, Inc.
Second Lien Term Loan
LIBOR (M)

1.25
%
8.75%
10.00%

7/22/2020

$
10,000,000

10,019,257

9,450,000

0.78
%

The Tennis Channel, Inc.
First Lien Term Loan
LIBOR (Q)

—

8.50%
8.88%

5/29/2017

$
32,520,727

32,351,929

32,675,201

2.68
%

49,683,186

47,901,681

3.93
%

Restaurants

RM OpCo, LLC (Real Mex)
Convertible Second Lien Term Loan Tranche B-1
Fixed

—

8.50%
8.50%

3/30/2018

$
1,783,036

1,779,352

1,783,036

0.15
%

B
RM OpCo, LLC (Real Mex)
First Lien Term Loan Tranche A
Fixed

—

7.00%
7.00%

3/21/2016

$
3,719,155

3,717,664

3,719,155

0.31
%

B
RM OpCo, LLC (Real Mex)
Second Lien Term Loan Tranche B
Fixed

—

8.50%
8.50%

3/30/2018

$
8,884,258

8,884,258

4,490,993

0.37
%

B
RM OpCo, LLC (Real Mex)
Second Lien Term Loan Tranche B-1
Fixed

—

8.50%
8.50%

3/30/2018

$
2,797,956

2,782,534

2,797,956

0.23
%

B
RM OpCo, LLC (Real Mex)
Sr Convertible Second Lien Term Loan B
Fixed

—

8.50%
8.50%

3/30/2018

$
2,188,233

2,188,233

2,188,233

	0.18 %
B	
	19,352,041
	14,979,373
	1.24 %
Retail	

Kenneth Cole Productions, Inc.
First Lien FILO Term Loan
LIBOR (M)

1.00
%
8.50%
9.50%

9/25/2020

$
13,185,494

13,049,991

13,317,349

1.09
%

Connexity, Inc.
First Lien Term Loan
LIBOR (Q)

1.00
%
10.00%
11.00%

2/13/2020

$
6,354,563

6,354,563

6,237,956

0.51
%

19,404,554

19,555,305

1.60
%

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2015

ments	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Cash Invest
nications										
tions (United	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	$ 9,393,000	$ 7,336,027	0.
esearch oment										
tories,	Senior Secured Notes	Fixed	—	12.25%	12.25%	4/1/2017	$ 38,932,000	39,001,750	40,489,280	3.
blishing										
rnational zerland)	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	2/21/2017	$ 29,485,290	29,375,415	28,170,246	2.
SA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50%	9.00%	1/31/2020	$ 30,000,000	29,529,480	28,023,000	2.
ystems,	First Lien Term Loan	LIBOR (Q)	1.50 %	0.4% Cash + 7.6% PIK	9.50%	9/25/2018	$ 14,619,396	13,946,601	14,765,590	1.
Networks,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.11%	12/3/2020	$ 6,062,304	5,881,725	5,880,435	0.
Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	
Ultimate LC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,612,408	2,612,408	2,612,408	0.
Ultimate LC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 11,791,569	11,176,985	11,343,490	0.

isitionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 41,924,150	41,178,969	42,029,025	3.
isitionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 1,272,857	1,272,857	1,276,039	0.
Ltd. gdom)	Sr Secured Term Loan (2.0% Exit Fees)	LIBOR (Q)	0.28 %	10.72%	11.00%	10/1/2018	$ 31,550,000	31,341,229	31,395,405	2.
c.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.62 %	9.88%	10.50%	1/1/2019	$ 3,200,000	2,906,672	2,903,680	0.
Inc.	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.63%	5/21/2020	$ 7,500,000	7,398,976	7,471,875	0.
								176,621,317	175,871,193	14.
nishings										
rpet Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 25,000,000	25,000,000	24,785,000	2.
rpet Mills,	First Lien Term Loan B	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 8,575,581	8,378,569	8,501,831	0.
								33,378,569	33,286,831	2.
em n										
Holdings	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 25,000,000	25,000,000	25,000,000	2.
nications										
tions,	First Lien Delayed Draw FILO Term Loan	LIBOR (Q)	1.00 %	6.92%	7.92%	5/31/2018	$ 1,064,676	1,046,166	1,058,812	0.
tions,	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	6.92%	7.92%	5/31/2018	$ 7,938,819	7,859,897	7,895,156	0.
com c.	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.50%	9.75%	2/22/2020	$ 13,231,193	13,039,047	12,883,874	1.
nty nd ompany	First Lien Term Loan	LIBOR (Q)	1.00 %	7.13%	8.13%	8/31/2020	$ 4,000,000	3,943,631	3,922,000	0.

								25,888,741	25,759,842	2.
nications										
	First Lien Term Loan	LIBOR (Q)	1.50 %	9.75%	11.25%	3/21/2018	$ 32,822,506	32,877,865	33,150,731	2.
s								1,160,372,521	1,130,535,387	92.

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2015

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities											
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	Warrants to Purchase Stock						17,578	$ 230,569	$ 233,543	0.02 %	C/E/H
Air Transportation											
Aircraft Leased to Delta Air Lines, Inc.											
N913DL	Trust Beneficial Interests						1,316	84,164	107,501	0.01 %	E/F
N918DL	Trust Beneficial Interests						1,053	86,044	127,662	0.01 %	E/F
N954DL	Trust Beneficial Interests						975	95,345	77,850	0.01 %	E/F
N955DL	Trust Beneficial Interests						937	92,045	108,100	0.01 %	E/F
N956DL	Trust Beneficial Interests						946	91,995	104,478	0.01 %	E/F
N957DL	Trust Beneficial Interests						937	92,417	105,329	0.01 %	E/F
N959DL	Trust Beneficial Interests						928	92,840	106,203	0.01 %	E/F

N960DL	Trust Beneficial Interests	902	94,503	105,937	0.01 %	E/F
N961DL	Trust Beneficial Interests	919	94,018	101,487	0.01 %	E/F
N976DL	Trust Beneficial Interests	1,130	87,968	100,793	0.01 %	E/F
Aircraft Leased to United Airlines, Inc.						
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests	652	3,143,045	3,368,599	0.28 %	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests	632	3,062,496	3,294,024	0.27 %	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock	1,843	855,313	3,173,450	0.26 %	C/E
			7,972,193	10,881,413	0.91 %	
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	2,616,916	0.21 %	C/E
			556,370	2,779,100	0.22 %	
Chemicals						
Green Biologics, Inc.	Warrants to Purchase Stock	376,147	272,594	236,634	0.02 %	C/E
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	4,198,500	0.34 %	B/C/E
Computer Systems Design						

and Related Services						
Waterfall International, Inc.	Series B Preferred Stock	1,428,571	1,000,000	999,714	0.08 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock	857,143	57,026	57,686	—	C/E
			1,057,026	1,057,400	0.08 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,581,964	0.13 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	919,030	0.07 %	C/E
			29,489,670	2,500,994	0.20 %	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	2,929,279	0.24 %	C/E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	92,460	0.01 %	C/E
			—	3,021,739	0.25 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	630,000	499,189	180,432	0.01 %	C/E

TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2015

er	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares		Cost		Fair Value	% of Total Cash and Investments	No
ity Securities tinued)													
ipment Leasing													
Street Capital ners Holdings,	Membership Units						225,000	$	225,000	$	225,000	0.02 %	C/E/
x Ocean II, LLC	Membership Units						199,430		199,429		200,686	0.02 %	C/F
									424,429		425,686	0.04 %	
ancial Investment vities													
CP I, LP	Membership Units						8,470,305		8,589,442		8,589,760	0.70 %	C/E/
sico Holdings,	Common Interest Units						168,698		172,694		5,061	—	C/E/
									8,762,136		8,594,821	0.70 %	
al and Mineral ing													
IC HoldCo, LLC	Membership Units						1,312,720		—		682,614	0.06 %	B/E
er nufacturing													
GY Holding npany, Inc.	Series A Preferred Stock						9,778		1,091,200		6,118,515	0.50 %	B/C/
ision Holdings,	Class C Membership Interest						33		—		1,431	—	C/E
									1,091,200		6,119,946	0.50 %	
io and Television adcasting													
Media, LLC	Warrants to Purchase						233,470		300,322		—	—	C/E

	Common Stock						
taurants							
Holdco, LLC l Mex)	Equity Participation	24	—		—	—	B/C/
Holdco, LLC l Mex)	Membership Units	13,161,000	2,010,777		—	—	B/C/
			2,010,777		—	—	
ail							
p Holding, LLC nexity)	Class A Units	507,167	480,049		320,682	0.03 %	C/E
p Holding, LLC nexity)	Warrants to Purchase Class A Units	326,691	—		8,079	—	C/E
			480,049		328,761	0.03 %	
ware Publishing							
kline rmediate, Inc.	Warrants to Purchase Common Stock	1,232,731	522,678	$	1,290,175	0.11 %	C/E
nentum Ultimate dings, LLC	Class A Common Units	159,515	680,226		680,218	0.05 %	B/C/
ndCloud, Ltd. ted Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082		75,247	0.01 %	C/E/
data, Inc.	Warrants to Purchase Stock	29,593	216,336		216,337	0.02 %	C/E
			1,498,322		2,261,977	0.19 %	
ed ecommunications riers							
gra Telecom, Inc.	Common Stock	1,274,522	8,433,884		5,269,511	0.43 %	C/E
gra Telecom, Inc.	Warrants	346,939	19,919		221,174	0.02 %	C/E
elecom Investment A. (Vivacom) xembourg)	Common Shares	1,393	3,236,256		3,390,093	0.28 %	C/D/
			11,690,059		8,880,778	0.73 %	
al Equity			71,334,905		52,384,338	4.30 %	

urities		
al Investments	$ 1,231,707,426	$ 1,182,919,725

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2015

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Cash and Cash Equivalents											
Cash Denominated in Foreign Currencies									130,081	0.01 %	
Cash Held on Account at Various Institutions									35,499,354	2.91 %	
Cash and Cash Equivalents									35,629,435	2.92 %	
Total Cash and Investments									$ 1,218,549,160	100.00 %	M

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure. At December 31, 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)

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

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

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

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

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

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

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

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TCP Capital Corp.

Consolidated Schedule of Investments

December 31, 2015

(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 $500,928,009 and $456,059,137 respectively, for the twelve months ended December 31, 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 December 31, 2015 was $1,182,719,039, or 97.1% of total cash and investments of the Company. As of December 31, 2015, approximately 18.0% of the total assets of the Company were not qualifying assets under Section 55(a) of the 1940 Act.

Options and swaps at December 31, 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	$ 3,229,442

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Operations

	Year Ended December 31,		
	2016	**2015**	**2014**
Investment income			
Interest income:			
Companies less than 5% owned	$ 133,915,069	$ 135,518,703	$ 94,632,495
Companies 5% to 25% owned	6,672,486	5,932,861	5,394,075
Companies more than 25% owned	4,430,859	560,989	896,695
Dividend income:			
Companies 5% to 25% owned	—	—	1,968,748
Lease income:			
Companies 5% to 25% owned	—	—	320,277
Companies more than 25% owned	1,571,280	1,352,797	1,014,053
Other income:			
Companies less than 5% owned	1,442,096	3,502,875	2,328,980
Companies 5% to 25% owned	—	—	26,125
Companies more than 25% owned	148,975	—	—
Total investment income	148,180,765	146,868,225	106,581,448
Operating expenses			
Interest and other debt expenses	25,192,990	18,895,977	9,821,751
Management and advisory fees	18,881,786	18,593,660	13,646,064
Legal fees, professional fees and due diligence expenses	2,320,959	2,840,839	1,355,370
Administrative expenses	1,693,304	1,600,477	1,421,863
Director fees	423,904	318,317	357,050
Insurance expense	382,152	374,720	288,156
Custody fees	313,073	300,055	229,254
Other operating expenses	3,149,764	2,564,662	1,360,564
Total operating expenses	52,357,932	45,488,707	28,480,072
Net investment income before taxes	95,822,833	101,379,518	78,101,376
Excise tax expense	569,511	876,706	808,813
Net investment income	95,253,322	100,502,812	77,292,563
Net realized and unrealized gain (loss) on investments and foreign currency			
Net realized gain (loss):			
Investments in companies less than 5% owned	(15,499,336)	(7,077,393)	(16,370,638)
Investments in companies 5% to 25% owned	417,446	(10,613,422)	(4,748,229)

Investments in companies more than 25% owned	79,742	19,167	—
Net realized gain (loss)	(15,002,148)	(17,671,648)	(21,118,867)
Change in net unrealized appreciation/depreciation	15,116,650	(4,733,463)	(6,185,711)
Net realized and unrealized gain (loss)	114,502	(22,405,111)	(27,304,578)
Net increase in net assets from operations	95,367,824	78,097,701	49,987,985
Gain on repurchase of Series A preferred interests	—	1,675,000	—
Dividends on Series A preferred equity facility	—	(1,251,930)	(1,444,634)
Net change in accumulated dividends on Series A preferred equity facility	—	497,790	6,462
Distributions of incentive allocation to the General Partner from:			
Net investment income	(19,050,665)	(19,949,734)	(15,170,877)
Net change in reserve for incentive allocation	—	—	1,168,583
Net increase in net assets applicable to common shareholders resulting from operations	$ 76,317,159	$ 59,068,827	$ 34,547,519
Basic and diluted earnings per common share	$ 1.50	$ 1.21	$ 0.88
Basic and diluted weighted average common shares outstanding	50,948,035	48,863,188	39,395,671

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Changes in Net Assets

	Common Stock						
	Shares	Par Amount	Paid in Capital in Excess of Par	Accumulated Net Investment Income	Accumulated Net Realized Losses	Accumulated Net Unrealized Depreciation	Total Net Assets
Balance at December 31, 2013	36,199,916	$ 36,200	$ 667,842,020	$ 24,016,095	$ (105,800,278)	$ (35,314,199)	$ 549,611,255
Issuance of common stock in public offering, net	12,110,000	12,110	201,127,367	—	—	—	201,139,477
Issuance of common stock from at the market offerings, net	400,255	400	6,420,026	—	—	—	6,420,426
Issuance of common stock from dividend reinvestment plan	456	—	7,687	—	—	—	7,687
Equity component of issuance of convertible debt	—	—	2,515,594	—	—	—	2,515,594
Net investment income	—	—	—	77,292,563	—	—	77,292,563
Net realized and unrealized loss	—	—	—	—	(21,118,867)	(6,185,711)	(27,304,578)
Dividends on Series A preferred equity facility	—	—	—	(1,438,172)	—	—	(1,438,172)
General Partner incentive allocation	—	—	—	(15,170,877)	—	—	(14,002,294)
Regular dividends paid to common shareholders	—	—	—	(58,867,403)	—	—	(58,867,403)

Special dividends paid to common shareholders	—	—	—	(4,245,526)	—	—	(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)	$ 731,129,028
Issuance of common stock from at the market offerings, net	248,614	249	3,945,817	—	—	—	3,946,066
Issuance of common stock from dividend reinvestment plan	555	—	8,116	—	—	—	8,116
Repurchase of common stock	(125,062)	(125)	(1,797,751)	—	—	—	(1,797,876)
Gain on repurchase of Series A preferred interests	—	—	—	—	1,675,000	—	1,675,000
Net investment income	—	—	—	100,502,812	—	—	100,502,812
Net realized and unrealized loss	—	—	—	—	(17,671,648)	(4,733,463)	(22,405,111)
Dividends on Series A preferred equity facility	—	—	—	(754,140)	—	—	(754,140)
General Partner incentive allocation	—	—	—	(19,949,734)	—	—	(19,949,734)
Regular dividends paid to common	—	—	—	(70,377,144)	—	—	(70,377,144)

shareholders							
Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles	—	—	(876,706)	(9,044,382)	9,921,088	—	—
Balance at December 31, 2015	48,834,734	$ 48,834	$ 878,383,356	$ 22,261,793	$ (132,483,593)	$ (46,233,373)	$ 721,977,017
Issuance of common stock in public offering, net	2,336,552	2,337	34,956,233	—	—	—	34,958,570
Issuance of common stock from conversion of convertible debt	2,011,900	2,012	30,216,726	—	—	—	30,218,738
Issuance of common stock from dividend reinvestment plan	610	—	9,657	—	—	—	9,657
Equity component of issuance of convertible debt	—	—	3,309,596	—	—	—	3,309,596
Repurchase of common stock	(141,896)	(141)	(1,879,407)	—	—	—	(1,879,548)
Net investment income	—	—	—	95,253,322	—	—	95,253,322
Net realized and unrealized loss	—	—	—	—	(15,002,148)	15,116,650	114,502
General Partner incentive allocation	—	—	—	(19,050,665)	—	—	(19,050,665)
Regular dividends paid to common shareholders	—	—	—	(73,975,198)	—	—	(73,975,198)
	—	—	(569,511)	(11,955,963)	12,525,474	—	—

Tax reclassification of stockholders' equity in accordance with generally accepted accounting principles							
Balance at December 31, 2016	53,041,900	$ 53,042	$ 944,426,650	$ 12,533,289	$ (134,960,267)	$ (31,116,723)	$ 790,935,991

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2016	**2015**	**2014**
Operating activities			
Net increase in net assets applicable to common shareholders resulting from operations	$ 76,317,159	$ 59,068,827	$ 34,547,519
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash provided by (used in) operating activities:			
Net realized loss	15,002,148	17,671,648	21,118,867
Change in net unrealized appreciation/depreciation of investments	(14,514,060)	4,329,371	6,085,664
Gain on repurchase of Series A preferred interests	—	(1,675,000)	—
Dividends paid on Series A preferred equity facility	—	1,251,930	1,444,634
Net change in accumulated dividends on Series A preferred equity facility	—	(497,790)	(6,462)
Net change in reserve for incentive allocation	—	—	(1,168,583)
Net amortization of investment discounts and premiums	(15,547,174)	(15,027,321)	(6,005,957)
Amortization of original issue discount on convertible debt	605,563	413,491	212,424
Interest and dividend income paid in kind	(6,381,145)	(6,810,980)	(6,045,878)
Amortization of deferred debt issuance costs	2,798,231	2,236,311	1,926,040
Accrued interest on convertible debt at conversion	218,738	—	—
Changes in assets and liabilities:			
Purchases of investment securities	(580,837,984)	(494,117,029)	(663,469,748)
Proceeds from sales, maturities and pay downs of investments	473,457,512	456,059,137	266,008,974
Decrease (increase) in accrued interest income - companies less than 5% owned	(3,870,497)	379,473	(2,939,648)
Decrease (increase) in accrued interest income - companies 5% to 25% owned	(212,255)	(487,319)	161,074
Decrease (increase) in accrued interest income - companies more than 25% owned	3,622	(780)	13,241
Decrease (increase) in receivable for	—	10,961,369	(7,355,405)

investments sold			
Decrease (increase) in prepaid expenses and other assets	803,299	(153,827)	(1,423,449)
Increase (decrease) in payable for investments purchased	5,923,511	4,375,896	(12,657,424)
Increase (decrease) in incentive allocation payable	(490,772)	904,566	984,140
Increase in interest payable	2,102,456	1,400,276	1,080,012
Increase (decrease) in payable to the Advisor	(182,544)	48,507	(661,281)
Increase (decrease) in accrued expenses and other liabilities	(1,279,506)	658,069	83,773
Net cash provided by (used in) operating activities	(46,083,698)	40,988,825	(368,067,473)
Financing activities			
Borrowings	538,700,000	511,300,000	671,500,000
Repayments of debt	(598,500,000)	(338,000,000)	(435,500,000)
Payments of debt issuance costs	(5,279,350)	(4,130,414)	(6,657,943)
Repurchase of Series A preferred interests	—	(132,325,000)	—
Dividends paid on Series A preferred equity facility	—	(1,251,930)	(1,444,634)
Regular dividends paid to common shareholders	(73,975,198)	(70,377,144)	(58,867,403)
Special dividends paid to common shareholders	—	—	(4,245,526)
Repurchase of common shares	(1,879,548)	(1,797,876)	—
Proceeds from issuances of convertible debt	170,000,000	—	—
Proceeds from shares issued in connection with dividend reinvestment plan	9,657	8,116	7,687
Proceeds from common shares sold, net of underwriting and offering costs	34,958,570	3,946,066	207,559,903
Net cash provided by (used in) financing activities	64,034,131	(32,628,182)	372,352,084
Net increase in cash and cash equivalents	17,950,433	8,360,643	4,284,610
Cash and cash equivalents at beginning of year	35,629,435	27,268,792	22,984,182
Cash and cash equivalents at end of year	$ 53,579,868	$ 35,629,435	$ 27,268,792
Supplemental cash flow information			
Interest payments	$ 18,397,410	$ 13,690,803	$ 5,717,779
Excise tax payments	$ 877,879	$ 877,879	$ 938,460
Non-cash transactions			

Conversion of convertible debt	$ 30,218,738	$ —	$ —

See accompanying notes to the consolidated financial statements.

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TCP Capital Corp.

Notes to Consolidated Financial Statements

December 31, 2016

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 (the Conversion). On April 3, 2012, the Company completed its initial public offering.

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Reclassifications

Certain prior period amounts in the Consolidated Statements of Assets and Liabilities relating to deferred debt issuance costs were reclassified to debt to conform to the current period presentation resulting from the adoption of two Accounting Standards Updates (see Recent Accounting Pronouncements). Certain prior period amounts in the Consolidated Statements of Operations relating to interest expense, amortization of deferred debt issuance costs and commitment fees have been reclassified into interest and other debt expenses to conform to the current period presentation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Investment Valuation

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

All investments are valued at least quarterly based on quotations or other affirmative pricing from independent third-party sources, with the exception of investments priced directly by the Advisor which in the aggregate comprise less than 5% of the capitalization of the Operating Company. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued using the closing price on the date of valuation.

Investments not listed on a recognized exchange or market quotation system, but for which reliable market quotations are readily available are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

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

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

Generally, to increase objectivity in valuing the investments, the Advisor will utilize external measures of value, such as public markets or third-party transactions, whenever possible. The Advisor s valuation is not based on long-term work-out value, immediate liquidation value, nor incremental value for potential changes that may

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

take place in the future. The values assigned to investments are based on available information and do not necessarily represent amounts that might ultimately be realized, as these amounts depend on future circumstances and cannot reasonably be determined until the individual investments are actually liquidated. The foregoing policies apply to all investments, including any in companies and groups of affiliated companies aggregating more than 5% of the Company s assets.

Fair valuations of investments in each asset class are determined using one or more methodologies including the market approach, income approach, or, in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Such information may include observed multiples of earnings and/or revenues at which transactions in securities of comparable companies occur, with appropriate adjustments for differences in company size, operations or other factors affecting comparability.

The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. The discount rates used for such analyses reflect market yields for comparable investments, considering such factors as relative credit quality, capital structure, and other factors.

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

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

At December 31, 2016, the Company s investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	$ —	$ —	$ —
2	Other direct and indirect observable market inputs *	89,800,173	21,001,126	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,036,044,457	101,934,853	64,521,901
3		107,199	—	1,560,161

Advisor valuations with significant unobservable inputs			
Total	$ 1,125,951,829	$ 122,935,979	$ 66,082,062

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2016 included the following:

Asset Type		Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$	847,311,244	Income approach	Discount rate	6.9% – 19.4% (12.1%)
		136,116,277	Market quotations	Indicative bid/ask quotes	1 – 2 (1)
		24,851,412	Market comparable companies	Revenue multiples	0.4x – 2.6x (1.0x)
		27,872,723	Market comparable companies	EBITDA multiples	7.3x – 11.0x (8.4x)
Other Corporate Debt		88,163,213	Market quotations	Indicative bid/ask quotes	1 (1)
		13,771,640	Market comparable companies	EBITDA multiples	7.6x – 7.8x (7.7x)
Equity		6,617,084	Income approach	Discount rate	7.3% – 26.2% (7.7%)
		41,442,919	Market quotations	Indicative bid/ask quotes	1(1)
		1,767,102	Market comparable companies	Revenue multiples	0.3x – 2.6x (1.6x)
		16,254,957	Market comparable companies	EBITDA multiples	5.0x – 11.0x (7.7x)
	$	1,204,168,571			

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

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount rate	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease

Changes in investments categorized as Level 3 during the year ended December 31, 2016 were as follows:

Independent Third-Party Valuation

Bank Debt

		Other Corporate Debt	Equity Securities
Beginning balance	$ 907,967,337	$ 89,314,530	$ 49,956,123
Net realized and unrealized gains (losses)	5,606,311	(4,283,483)	(4,803,878)
Acquisitions *	479,811,414	30,687,836	30,306,611
Dispositions	(382,143,047)	—	(10,611,212)
Transfers out of Level 3 †	(26,300,274)	(46,265,760)	—
Transfers into Level 3 ‡	51,102,716	32,481,730	—
Reclassifications within Level 3 §	—	—	(325,743)
Ending balance	$ 1,036,044,457	$ 101,934,853	$ 64,521,901
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)	$ 10,308,166	$ (4,283,483)	$ (4,684,951)

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

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

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

§ Comprised of two investments that reclassified to Advisor Valuation

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

	Advisor Valuation		
	Bank Debt	**Other Corporate Debt**	**Equity Securities**
Beginning balance	$ 1,124,504	$ —	$ 2,428,217
Net realized and unrealized gains (losses)	(965,608)	—	(776,175)
Acquisitions *	1,050,297	—	192
Dispositions	(1,101,994)	—	(417,816)
Reclassifications within Level 3 †	—	—	325,743
Ending balance	$ 107,199	$ —	$ 1,560,161
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)	$ (923,543)	$ —	$ (1,192,560)

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

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

There were no transfers between Level 1 and 2 during the year ended December 31, 2016.

At December 31, 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 direct and indirect observable market inputs *	92,311,257	39,817,757	—
3	Independent third-party valuation sources that employ significant unobservable inputs	907,967,337	89,314,530	49,956,123
3	Advisor valuations with significant unobservable inputs	1,124,504	—	2,428,217
Total		$ 1,001,403,098	$ 129,132,287	$ 52,384,340

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2015 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 715,701,737	Income approach	Discount rate	

				4.2% – 18.9% (11.8%)
	140,033,088	Market quotations	Indicative bid/ask quotes	1 – 5(1)
	36,550,712	Market comparable companies	Revenue multiples	0.3x – 4.5x(2.2x)
	16,806,304	Market comparable companies	EBITDA multiples	3.3x – 11.5x(7.8x)
Other Corporate Debt	80,046,530	Market quotations	Indicative bid/ask quotes	1(1)
	9,268,000	Market comparable companies	EBITDA multiples	7.3x(7.3x)
Equity	7,908,649	Income approach	Discount rate	5.9% – 26.2% (8.0%)
	15,827,563	Market quotations	Indicative bid/ask quotes	1 – 2(1)
	3,212,249	Market comparable companies	Revenue multiples	0.3x – 6.0x(3.2x)
	25,435,879	Market comparable companies	EBITDA multiples	4.4x – 11.5x(6.8x)
	$ 1,050,790,711			

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Changes in investments categorized as Level 3 during the year ended December 31, 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)	(28,968,245)	(791,712)	15,282,086
Acquisitions *	531,073,121	1,200,149	15,292,847
Dispositions	(412,262,543)	(7,263,190)	(11,236,952)
Transfers out of Level 3 †	(36,143,175)	(16,311,094)	—
Transfers into Level 3 ‡	13,730,000	51,247,224	—
Reclassifications within Level 3 §	—	4,611,178	—
Ending balance	$ 907,967,337	$ 89,314,530	$ 49,956,123
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)	$ (22,211,825)	$ (683,384)	$ 9,375,525

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

† 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	—	104,805
Acquisitions *	1,725,244	—	—
Dispositions	(735,185)	—	(1,217)
Reclassifications within Level 3 †	—	(4,611,178)	—
Ending balance	$ 1,124,504	$ —	$ 2,428,217
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	$ —	$ 333,095

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

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

There were no transfers between Level 1 and 2 during the year ended December 31, 2015.

Investment Transactions

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

Cash and Cash Equivalents

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Restricted Investments

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

Foreign Investments

The Company may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.2% and 1.4% of total investments at December 31, 2016 and December 31, 2015, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at December 31, 2016 and December 31, 2015 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies, when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

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

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Operating Company may enter into certain derivative transactions. All derivatives are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. Transactions entered into are accounted for using the mark-to-market method with the resulting change in fair value recognized in earnings for the current period. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in interest rates and the value of foreign currencies relative to the U.S. dollar. Certain derivatives may also require the Company to pledge assets as collateral to secure its obligations. As of December 31, 2016, no derivatives were outstanding.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

During the year ended December 31, 2016, the Company entered into and exited a GBP put option with a notional amount of £2.7 million. During the year ended December 31, 2016, the Company s interest rate cap with a notional amount of $25.0 million expired, and the Company exited a cross currency basis swap with a notional amount of $16.4 million. The interest rate cap was reported in the Consolidated Statements of Assets and Liabilities under the caption, Options. Gains and losses from derivatives during the year ended December 31, 2016 were included in net realized and unrealized gain (loss) on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Put option	$ —	$ —
Cross currency basis swap	2,746,072	(3,229,442)
Interest rate cap	(51,750)	51,750

The Company did not enter into any new derivative transactions during the year ended December 31, 2015. At December 31, 2015, the Company held an interest rate cap with a notional amount of $25.0 million and a cross currency basis swap with a notional amount of $16.4 million. The interest rate cap and the cross currency basis swap are reported in the Consolidated Statements of Assets and Liabilities as options and unrealized appreciation on swaps, respectively. Gains and losses from derivatives during the year ended December 31, 2015 were included in net realized and unrealized gain (loss) on investments in the Consolidated Statements of Operations as follows:

Instrument	Realized Gains (Losses)	Unrealized Gains (Losses)
Cross currency basis swap	$ —	$ 1,511,832
Interest rate cap	—	(497)

Valuations of derivatives held at December 31, 2015 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.

Deferred Debt Issuance Costs

Costs of approximately $4.1 million were incurred in September 2016 in connection with placing the Company s unsecured convertible notes (see Note 4). Costs of approximately $1.8 million were incurred during 2015 in connection with the extension of the Operating Company s credit facility (see Note 4). Costs of approximately $1.9 million were incurred during 2015 in connection with placing and extending TCPC Funding s revolving credit facility (see Note 4). Costs of approximately $1.2 million and $0.4 million were incurred during the year ended December 31, 2016 and year ended December 31, 2015, respectively, in connection with placing the SBA Debentures (see Note 4). These costs were deferred and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Company.

Revenue Recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis. Origination, structuring, closing, commitment and other upfront fees, including original issue discounts, earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective debt

TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

investment, as are end-of-term or exit fees receivable upon repayment of a debt investment. Other fees, including certain amendment fees, prepayment fees and commitment fees on broken deals, are recognized as earned. Prepayment fees and similar income due upon the early repayment of a loan or debt security are recognized when earned and are included in interest income.

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

Income Taxes

The Company intends to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, pertaining to regulated investment companies and to make distributions of taxable income sufficient to relieve it from substantially all federal income taxes. Accordingly, no provision for income taxes is required in the consolidated financial statements. The income or loss of the Operating Company, TCPC Funding and the SBIC is reported in the respective partners income tax returns. In accordance with ASC Topic 740 – *Income Taxes*, the Company recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. As of December 31, 2016, all tax years of the Company, the Operating Company, TCPC Funding and the SBIC since January 1, 2013 remain subject to examination by federal tax authorities. No such examinations are currently pending.

During the year ended December 31, 2016, the Company accrued $0.6 million in excise taxes related to income earned in 2016 and paid $0.9 million in excise taxes related to income earned in 2015. During the year ended December 31, 2015, the Company accrued $0.9 million in excise taxes related to income earned in 2015 and paid $0.9 million in excise taxes related to income earned in 2014. During the year ended December 31, 2014, the Company accrued $0.8 million in excise taxes related to income earned in 2014 and paid $0.9 million in excise taxes related to income earned in 2013.

Income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. Capital accounts within the financial statements are adjusted at year end for permanent book and tax differences. At December 31, 2016, the Company reclassified $0.6 million in excise tax expenses from accumulated net investment income to paid-in capital, $3.2 million in foreign currency losses from accumulated net realized losses to accumulated net investment income, and $9.3 million in certain investment income from accumulated net investment income to accumulated net realized losses. At December 31, 2015, the Company reclassified $0.9 million in excise tax expenses from accumulated net investment income to paid-in capital, $0.3 million in foreign currency gains from accumulated net realized losses to accumulated net investment income, and $10.2 million in certain investment income from accumulated net investment income to accumulated net realized losses. At December 31, 2014, the Company reclassified $0.8 million in excise tax expenses from accumulated net investment income to paid-in capital, $17,846 in foreign currency gains from accumulated net realized losses to accumulated net investment income, and $0.5 million in certain investment income from accumulated net investment income to accumulated net realized losses. Temporary differences are primarily attributable to differing book and tax treatments for the timing of the recognition of gains and losses on certain investment transactions, and will reverse in subsequent periods.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

The tax-basis components of distributable earnings (accumulated deficit) applicable to the common shareholders of the Company and the cost and unrealized appreciation and depreciation of investments (including derivatives) for U.S. federal income tax purposes at December 31, 2016 and 2015 were as follows:

	December 31, 2016	December 31, 2015
Undistributed ordinary income	$ 11,585,219	$ 23,341,397
Capital loss carryforwards	(134,913,886)	(133,041,586)
Unrealized appreciation	$ 33,945,996	$ 30,920,149
Unrealized depreciation	(65,041,945)	(79,759,600)
Net unrealized depreciation	$ (31,095,949)	$ (48,839,451)
Cost	$ 1,346,065,819	$ 1,231,759,176

All of the Company s distributions during the years ended December 31, 2016 and 2015 were treated as ordinary income for federal income tax purposes. The Company s capital loss carryforwards may be used to offset capital gains in succeeding taxable years. Of the carryforwards, $2,987,174 and $34,759,883 will expire after 2017 and 2018, respectively. The remaining $97,166,831 will carry forward indefinitely until used. Distributions to holders of the Series A Preferred were treated, on an accrual basis, as distributions of ordinary income for federal tax purposes.

Recent Accounting Pronouncements

During the first quarter of 2016, the Company adopted Financial Accounting Standards Board (the FASB) Accounting Standards Update (ASU) 2015-02, *Amendments to the Consolidation Analysis*. In particular, the new pronouncement changed the manner in which a reporting entity evaluates whether 1) an entity is a variable interest entity (VIE), 2) fees paid to decision makers or service providers are variable interests in a VIE, and 3) variable interests in a VIE held by related parties require the reporting entity to consolidate the VIE. The pronouncement also introduced a separate consolidation analysis specific to limited partnerships and similar entities. ASU 2015-02 also eliminated the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. The adoption of this pronouncement did not have a material impact on the Company s consolidated financial statements.

The Company also adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs* as well as ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015*. Together, these ASUs required, in most cases, that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. Debt issuance costs incurred in connection with line-of-credit arrangements, however, may continue to be presented as an asset in the balance sheet. The adoption of these ASUs resulted in the reclassification of certain debt issuance costs related to the Term Loan, convertible notes and SBA Debentures (as defined in Note 4) from deferred debt issuance costs to debt in the Consolidated Statements of Assets and Liabilities.

As of December 31, 2016 and December 31, 2015, $8.2 million and $4.2 million in debt issuance costs, respectively, were included in debt in the Consolidated Statements of Assets and Liabilities.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. Under this new pronouncement, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all entities and, for public entities, is effective for annual

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

periods beginning after December 15, 2017, and interim periods within those fiscal years. Early application is permitted, but no earlier than annual periods beginning after December 15, 2016 and interim periods within that reporting period. The Company does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

On January 5, 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities.* The more significant changes to the current GAAP model resulting from ASU 2016-01 include 1) elimination of the requirement to disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost, 2) requiring public entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes and 3) requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. ASU 2016-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The Company does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

3. Management Fees, Incentive Compensation and Other Expenses

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

Incentive compensation is only paid to the extent the total performance of the Company exceeds a cumulative 8% annual return since January 1, 2013 (the Total Return Hurdle). Beginning January 1, 2013, the incentive compensation equals 20% of net investment income (reduced by preferred dividends) and 20% of net realized gains (reduced by any net unrealized losses), subject to the Total Return Hurdle. The incentive compensation is payable quarterly in arrears as an allocation and distribution to the General Partner and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is accrued based on the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of the Company at net asset value on the balance sheet date. The General Partner s equity interest in the Operating Company is comprised entirely of such reserve amount, if any. As of December 31, 2016 and December 31, 2015, no such reserve was accrued.

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

4. Leverage

Leverage is comprised of convertible senior unsecured notes due December 2019 issued by the Company (the 2019 Convertible Notes), convertible senior unsecured notes due March 2022 issued by the Company (the 2022 Convertible Notes), amounts outstanding under a term loan issued by the Operating Company (the Term Loan), amounts outstanding under a senior secured revolving credit facility issued by the Operating Company (the SVCP Revolver and together with the Term Loan, the SVCP Facility), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the TCPC Funding Facility), debentures guaranteed by the SBA (the SBA Debentures), and, prior to the repurchase and retirement of remaining interests on September 3, 2015, amounts outstanding under a preferred equity facility issued by the Operating Company (the Preferred Interests). From April 18, 2016 through its conversion to common equity on June 7, 2016, leverage also included a privately placed convertible senior unsecured note due April 2021 issued by the Company (the CNO Note).

TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

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

	Maturity	Rate		Carrying Value*	Available	Total Capacity
SVCP Facility						
SVCP Revolver	2018	L+2.50	%†	$ —	$ 116,000,000	$ 116,000,000
Term Loan	2018	L+2.50	%†	100,500,000	—	100,500,000
2019 Convertible Notes ($108 million par)	2019	5.25	%	106,547,929	—	106,547,929
2022 Convertible Notes ($140 million par)	2022	4.625	%	136,858,359	—	136,858,359
TCPC Funding Facility	2020	L+2.50	%‡	175,000,000	175,000,000	350,000,000
SBA Debentures	2024–2026	2.58	%§	61,000,000	89,000,000	150,000,000
Total leverage				579,906,288	$ 380,000,000	$ 959,906,288
Unamortized issuance costs				(8,247,426)		
Debt, net of unamortized issuance costs				$ 571,658,862		

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

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

‡ Or L+2.25% subject to certain funding requirements

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

Total leverage outstanding and available at December 31, 2015 was as follows:

	Maturity	Rate		Carrying Value*	Available	Total Capacity
SVCP Facility						
SVCP Revolver	2018	L+1.75	%†	$ 24,000,000	$ 92,000,000	$ 116,000,000
Term Loan	2018	L+1.75	%†	100,500,000	—	100,500,000
2019 Convertible Notes ($108 million par)	2019	5.25	%	106,110,321	—	106,110,321
	2020	L+2.50	%‡	229,000,000	121,000,000	350,000,000

TCPC Funding Facility					
SBA Debentures	2024–2025	2.81 %§	42,800,000	32,200,000	75,000,000
Total leverage			502,410,321	$ 245,200,000	$ 747,610,321
Unamortized issuance costs			(4,204,850)		
Debt, net of unamortized issuance costs			$ 498,205,471		

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

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

‡ Or L+2.25% subject to certain funding requirements

§ Weighted-average interest rate on pooled loans of $38.8 million, excluding fees of 0.36%. As of December 31, 2015, the remaining $4.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 0.90% plus fees of 0.36% through March 22, 2016, the date of the next SBA pooling.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

The combined weighted-average interest rates on total leverage outstanding at December 31, 2016 and December 31, 2015 were 3.95% and 3.20%, respectively.

Total expenses related to debt include:

	Year Ended December 31,		
	2016	**2015**	**2014**
Interest expense	$ 21,105,429	$ 15,504,570	$ 7,010,215
Amortization of deferred debt issuance costs	2,798,231	2,236,311	1,926,040
Commitment fees	1,289,330	1,155,096	885,496
Total	$ 25,192,990	$ 18,895,977	$ 9,821,751

Amounts outstanding under the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of December 31, 2016, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values, and the 2019 Convertible Notes and the 2022 Convertible Notes had estimated fair values of $113.0 million and $140.3 million, respectively. The estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures were determined by discounting projected remaining payments using market interest rates for borrowings of the Company and entities with similar credit risks at the measurement date. The estimated fair values of the convertible notes were determined using market quotations. At December 31, 2016, the estimated fair values of the SVCP Facility, the TCPC Funding Facility, the convertible notes and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

Convertible Notes

On June 11, 2014, the Company issued $108.0 million of convertible senior unsecured notes that mature on December 15, 2019, unless previously converted or repurchased in accordance with their terms. The 2019 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2019 Convertible Notes prior to maturity. The 2019 Convertible Notes bear interest at an annual rate of 5.25%, payable semi-annually. In certain circumstances, the 2019 Convertible Notes will be convertible into cash, shares of the Company s common stock or a combination of cash and shares of common stock (such combination to be at the Company s election), at an initial conversion rate of 50.9100 shares of common stock per one thousand dollar principal amount, which is equivalent to an initial conversion price of approximately $19.64 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 12.5% above the $17.46 per share closing price of the Company s common stock on June 11, 2014. At December 31, 2016, the principal amount of the 2019 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company s common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

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

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

On August 30, 2016, the Company issued $140.0 million of convertible senior unsecured notes that mature on March 1, 2022, unless previously converted or repurchased in accordance with their terms. The 2022 Convertible Notes are general unsecured obligations of the Company, and rank structurally junior to the SVCP Facility and the TCPC Funding Facility. The Company does not have the right to redeem the 2022 Convertible Notes prior to maturity. The 2022 Convertible Notes bear interest at an annual rate of 4.625%, payable semi-annually. In certain circumstances, the 2022 Convertible Notes will be convertible into cash, shares of the Company s common stock or a combinationof cash and shares of common stock (such combination to be at the Company s election), at an initial conversion rate of 54.5019 shares of common stock per one thousand dollar principal amount of the 2022 Convertible Notes, which is equivalent to an initial conversion price of approximately $18.35 per share of common stock, subject to customary anti-dilutional adjustments. The initial conversion price was approximately 10.0% above the $16.68 per share closing price of the Company s common stock on August 30, 2016. At December 31, 2016, the principal amount of the 2022 Convertible Notes exceeded the value of the conversion rate multiplied by the per share closing price of the Company s common stock. Therefore, no additional shares have been added to the calculation of diluted earnings per common share and weighted average common shares outstanding.

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

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

The original issue discounts equal to the equity components of the 2019 Convertible Notes and 2022 Convertible Notes were recorded in paid-in capital in excess of par in the accompanying Consolidated Statements of Assets and Liabilities. As a result, the Company records interest expense comprised of both stated interest and amortization of the original issue discounts. At the time of issuance, the equity components of the 2019 Convertible Notes and the 2022 Convertible Notes were $2.5 million and $3.3 million, respectively. As of December 31, 2016 and December 31, 2015, the components of the carrying value of the 2019 Convertible Notes and 2022 Convertible Notes were as follows:

	December 31, 2016		December 31, 2015	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Principal amount of debt	$ 108,000,000	$ 140,000,000	$ 108,000,000	N/A
Original issue discount, net of accretion	(1,452,071)	(3,141,641)	(1,889,679)	N/A
Carrying value of debt	$ 106,547,929	$ 136,858,359	$ 106,110,321	N/A

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

For the years ended December 31, 2016, 2015 and 2014, the components of interest expense for the convertible notes were as follows:

	Year Ended December 31,					
	2016		2015		2014	
	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes	2019 Convertible Notes	2022 Convertible Notes
Stated interest expense	$ 5,670,000	$ 2,050,416	$ 5,670,000	N/A	$ 3,039,750	N/A
Amortization of original issue discount	437,608	167,955	413,491	N/A	212,424	N/A
Total interest expense	$ 6,107,608	$ 2,218,371	$ 6,083,491	N/A	$ 3,252,174	N/A

The estimated effective interest rate of the debt component of the 2019 Convertible Notes, equal to the stated interest of 5.25% plus the accretion of the original issue discount, was approximately 5.75% for the year ended December 31, 2016. The estimated effective interest rate of the debt component of the 2022 Convertible Notes, equal to the stated interest of 4.625% plus the accretion of the original issue discount, was approximately 5.125% for the year ended December 31, 2016.

SVCP Facility

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

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

SBA Debentures

As of December 31, 2016 the SBIC was able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of December 31, 2016, the Operating Company had committed $75.0 million of regulatory capital to the SBIC, all of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of LIBOR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

SBA Debentures outstanding as of December 31, 2016 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	$ 18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
March 23, 2016	March 1, 2026	4,000,000	2.51 %	0.36 %
September 21, 2016	September 1, 2026	18,200,000	2.05 %	0.36 %
		$ 61,000,000	2.58 %*	

* Weighted-average interest rate

SBA Debentures outstanding as of December 31, 2015 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
Pooled loans:				
September 24, 2014	September 1, 2024	$ 18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
		38,800,000	2.84 %*	
Non-pooled loans:				
December 15, 2015	March 22, 2026	4,000,000	0.90 %	0.36 %
		$ 42,800,000		

* Weighted-average interest rate on pooled loans

TCPC Funding Facility

The TCPC Funding Facility is a senior secured revolving credit facility which provides for amounts to be drawn up to $350.0 million, subject to certain collateral and other restrictions. The facility matures on 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 $400.0 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding are included in the collateral for the facility.

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus either 2.25% or 2.50% per annum, subject to certain funding requirements, plus an administrative fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or

0.75% per annum when the unused portion is greater than 33% of the total facility, plus an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of December 31, 2016, TCPC Funding was in full compliance with such covenants.

Preferred Interests

As of December 31, 2016 and 2015, no Preferred Interests were outstanding. On June 30, 2015, the Operating Company repurchased and retired 1,675 of the previously outstanding 6,700 Preferred Interests at a price of $31.8 million. On September 3, 2015, the Operating Company repurchased and retired the remaining 5,025 Preferred Interests outstanding at a price of $100.5 million.

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

When issued, 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).

CNO Note

On April 18, 2016, the Company issued $30.0 million in aggregate principal amount of a 5.25% convertible senior unsecured note due 2021 pursuant to a purchase agreement, dated as of April 18, 2016, between the Company and CNO Financial Investments Corp., a minority interest owner of the Advisor. The CNO Note had a maturity of April 30, 2021 unless previously converted. The CNO Note was convertible at the option of the holder at any time prior to the close of business on the business day immediately preceding April 30, 2021, in integral multiples of $1,000,000 principal amount. However, the CNO Note was automatically convertible in its entirety, without any further action by the holder, on the date on which the closing price of the common stock of the Company was at or above the Company s most recent publicly reported net asset value per share of common stock for at least ten trading days (whether or not consecutive) in a 20 consecutive trading day period. The conversion price was the greater of (a) the closing price of the Company s common shares on the conversion date and (b) the then-current net asset value of the Company. On June 7, 2016, the Company issued 2,011,900 shares of its common stock pursuant to the full conversion, at the holder s option, of the $30.0 million in aggregate principal amount (plus accrued interest) of the CNO Note. The CNO Note was converted at a price of $15.02 per share of Common Stock. There was no gain or loss associated with the conversion of the CNO Note. No placement agent or underwriting fees were incurred in connection with the issuance or the conversion of the CNO Note.

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

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

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

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

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

The Consolidated Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at December 31, 2016 and December 31, 2015 as follow:

		Unfunded Balances	
Issuer	**Maturity**	**December 31, 2016**	**December 31, 2015**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 833,333	$ N/A
Alera Group Intermediate Holdings, Inc.	12/30/2022	759,547	N/A
Alpheus Communications, LLC	5/31/2018	357,419	1,072,256
AP Gaming I, LLC	12/20/2018	12,500,000	12,500,000
Acrisure, LLC	11/19/2022	N/A	1,351,596
Anuvia Plant Nutrients Holdings, LLC (VitAG)	2/1/2018	N/A	4,300,000
Asset International, Inc.	7/31/2020	1,325,721	565,544
Auto Trakk SPV, LLC	12/21/2021	3,827,058	N/A
Bisnow, LLC	4/29/2021	1,200,000	N/A
Caliber Home Loans, Inc.	6/30/2020	6,666,667	N/A
Cargojet Airways, LTD.	1/31/2023	N/A	14,457,306
Central MN Renewables, LLC	1/16/2016	N/A	2,100,000
Daymark Financial Acceptance, LLC	1/12/2020	N/A	20,000,000
Edmentum, Inc.	6/9/2020	3,368,586	3,368,586
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	7,500,000
Essex Ocean, LLC	3/25/2019	N/A	22,008,557
Fidelis Acquisitionco, LLC	11/4/2019	N/A	1,909,286
Hylan Datacom & Electrical, LLC	7/25/2016	1,247,989	N/A
iGM RFE1 B.V.	10/12/2021	855,935	N/A
InMobi, Inc.	9/1/2018	7,500,000	9,354,959
Marketo, Inc.	8/16/2016	1,704,545	N/A
MediMedia USA, Inc.	5/20/2018	N/A	4,293,500
Mesa Air Group, Inc.	7/15/2022	N/A	13,575,000
Mesa Airlines, Inc.	2/28/2022	9,268,182	N/A
Mesa Airlines, Inc.	12/31/2022	9,731,591	N/A
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	671,356	N/A
Redaptive, Inc.	7/1/2018	N/A	15,000,000

RM OpCo, LLC (Real Mex)	3/30/2018	N/A	440,774
Utilidata, Inc.	1/1/2019	N/A	4,800,000
Vistronix, LLC	12/4/2018	N/A	205,558
VSS-Southern Holdings, LLC	11/3/2020	856,164	N/A
Waterfall International, Inc.	9/1/2018	N/A	3,200,000
Total Unfunded Balances		$ 66,674,093	$ 142,002,922

6. Related Party Transactions

The Company, the Operating Company, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Operating Company advances payments to third parties on behalf of the Company which are reimbursable through deductions from distributions to the Company. At December 31, 2016 and December 31, 2015, no such amounts were outstanding. From time to time, the Advisor advances payments to third parties on behalf of the Company and the Operating Company and receives reimbursement from the Company and the Operating Company. At

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

6. Related Party Transactions – (continued)

December 31, 2016 and 2015, amounts reimbursable to the Advisor totaled $0.3 million and $0.5 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to administration agreements between the Administrator and each of the Company and the Operating Company (the Administration Agreements), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Company or the Operating Company, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Company or the Operating Company. For the years ended December 31, 2016, 2015 and 2014, expenses allocated pursuant to the Administration Agreements totaled $1.7 million, $1.6 million and $1.4 million, respectively.

On November 25, 2014, the Company and the Operating Company obtained an exemptive order (the Exemptive Order) from the Securities and Exchange Commission permitting the Company and Operating Company to purchase certain investments from affiliated investment companies at fair value. The Exemptive Order exempts the Company and the Operating Company 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 years ended December 31, 2016 and 2015, the Company purchased approximately $0.0 million and $94.5 million, respectively, 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. 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 public offerings of the Company s common stock net of underwriting discounts and offering costs as well as shares issued in connection with the Company s dividend reinvestment plan for the year ended December 31, 2016:

	Shares Issued	Price Per Share	Net Proceeds
Shares issued from dividend reinvestment plan	610	$ 15.83 *	$ 9,657
Shares issued from conversion of convertible debt †	2,011,900	15.02	—
July 13, 2016 registered direct public offering	2,336,552	15.09	34,958,570

* Weighted-average price per share

† Shares issued in connection with the full conversion of the CNO Note

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

	Shares Issued	Price Per Share	Net Proceeds

At-the-market offerings	248,614	$	15.87	*	$ 3,946,066
Shares issued from dividend reinvestment plan	555		14.62	*	8,116

* Weighted-average price per share

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

7. Stockholders' Equity and Dividends – (continued)

The Company s dividends are recorded on the ex-dividend date. The following table summarizes the Company s dividends declared and paid for the year ended December 31, 2016:

Date Declared	Record Date	Payment Date	Type	Amount Per Share	Total Amount
February 24, 2016	March 17, 2016	March 31, 2016	Regular	$ 0.36	$ 17,530,963
May 10, 2016	June 16, 2016	June 30, 2016	Regular	0.36	18,254,229
August 9, 2016	September 16, 2016	September 30, 2016	Regular	0.36	19,094,976
November 8, 2016	December 16, 2016	December 30, 2016	Regular	0.36	19,095,030
				$ 1.44	$ 73,975,198

The following table summarizes the Company s dividends declared and paid for the year ended December 31, 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
November 5, 2015	December 17, 2015	December 31, 2015	Regular	0.36	17,590,638
				$ 1.44	$ 70,377,144

On February 24, 2015, the Company s board of directors approved a stock repurchase plan (the Company Repurchase Plan) to acquire up to $50.0 million in the aggregate of the Company s common stock at prices at certain thresholds below the Company s net asset value per share, in accordance with the guidelines specified in Rule 10b-18 and Rule 10b5-1 of the Securities Exchange Act of 1934. The Company Repurchase Plan is designed to allow the Company to repurchase its common stock at times when it otherwise might be prevented from doing so under insider trading laws. The Company Repurchase Plan requires an agent selected by the Company to repurchase shares of common stock on the Company s behalf if and when the market price per share is at certain thresholds below the most recently reported net asset value per share. Under the plan, the agent will increase the volume of purchases made if the price of the Company s common stock declines, subject to volume restrictions. The timing and amount of any stock repurchased depends on the terms and conditions of the Company Repurchase Plan, the market price of the common stock and trading volumes, and no assurance can be given that any particular amount of common stock will be repurchased. The Company Repurchase Plan was re-approved on November 2, 2016, to be in effect through the earlier of two trading days after the Company s fourth quarter 2016 earnings release unless further extended or terminated by the Company s board of directors, or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the year ended December 31, 2016:

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

* Weighted-average price per share

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TCP Capital Corp.

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

7. Stockholders' Equity and Dividends – (continued)

The following table summarizes the total shares repurchased and amounts paid by the Company under the Company Repurchase Plan, including broker fees, for the year ended December 31, 2015:

	Shares Repurchased	Price Per Share	Total Cost
Company Repurchase Plan	125,062	$ 14.38 *	$ 1,797,876

* Weighted-average price per share

8. Earnings Per Share

In accordance with ASC 260, *Earnings per Share*, basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of shares outstanding during the period. Other potentially dilutive common shares, if any, and the related impact to earnings, are considered when calculating earnings per share on a diluted basis. The following information sets forth the computation of the net increase in net assets per share resulting from operations for the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,		
	2016	2015	2014
Net increase in net assets applicable to common shareholders resulting from operations	$ 76,317,159	$ 59,068,827	$ 34,547,519
Weighted average shares outstanding	50,948,035	48,863,188	39,395,671
Earnings per share	$ 1.50	$ 1.21	$ 0.88

9. Subsequent Events

On February 22, 2017, the Company s board of directors re-approved the Company Repurchase Plan, to be in effect through the earlier of two trading days after the Company s first quarter 2017 earnings release or such time as the approved $50.0 million repurchase amount has been fully utilized, subject to certain conditions.

On February 28, 2017, the Company s board of directors declared a first quarter regular dividend of $0.36 per share payable on March 31, 2017 to stockholders of record as of the close of business on March 17, 2017.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

10. Financial Highlights

The financial highlights below show the Company's results of operations for each of the five years ended December 31, 2016, as applicable. Per share amounts are calculated assuming the common shares issued in the Conversion on April 2, 2012 and those sold in the initial public offering on April 3, 2012 had been issued as of January 1, 2012.

	Year Ended December 31,				
	2016	***2015***	***2014***	***2013***	***2012***
Per Common Share					
Per share NAV at beginning of period [1]	$ 14.78	$ 15.01	$ 15.18	$ 14.71	$ 14.84
Investment operations:					
Net investment income before income taxes	1.88	2.07	1.98	2.13	1.95
Excise taxes	(0.01)	(0.02)	(0.02)	(0.03)	(0.07)
Net investment income	1.87	2.05	1.96	2.10	1.88
Net realized and unrealized losses	—	(0.45)	(0.69)	0.35	(0.60)
Dividends on Series A preferred equity facility	—	(0.01)	(0.04)	(0.06)	(0.07)
Incentive allocation reserve and distributions	(0.37)	(0.41)	(0.35)	(0.48)	—
Total from investment operations	1.50	1.18	0.88	1.91	1.21
Issuance of common stock	0.01	—	0.43	0.09	—
Repurchase of common stock	—	—	—	—	—
Issuance of convertible debt	0.06	—	0.06	—	—
	—	0.03	—	—	—

Repurchase of Series A preferred interests					
Distributions to common shareholders from:					
Net investment income	(1.44)	(1.44)	(1.54)	(1.53)	(1.34)
Per share NAV at end of period	$ 14.91	$ 14.78	$ 15.01	$ 15.18	$ 14.71
Per share market price at end of period	$ 16.90	$ 13.93	$ 16.78	$ 16.78	$ 14.74
Total return based on market value [1], [2]	31.7 %	(8.4 %)	9.2 %	24.2 %	9.0 %
Total return based on net asset value [1]	10.6 %	8.1 %	9.0 %	13.6 %	8.2 %
Shares outstanding at end of period	53,041,900	48,834,734	48,710,627	36,199,916	21,477,628

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

10. Financial Highlights – (continued)

	Year Ended December 31,				
	2016	***2015***	***2014***	***2013***	***2012***
Ratios to average common equity: (3)					
Net investment income (4)	10.1 %	10.9 %	10.2 %	10.9 %	13.6 %
Expenses (5)	6.9 %	6.2 %	4.7 %	3.6 %	3.5 %
Expenses and incentive allocation (6)	9.4 %	8.9 %	7.2 %	6.5 %	N/A
Ending common shareholder equity	$ 790,935,991	$ 721,977,017	$ 731,129,028	$ 549,553,354	$ 315,987,550
Portfolio turnover rate	37.9 %	37.8 %	28.4 %	38.9 %	48.3 %
Weighted-average leverage outstanding (7)	$ 542,421,190	$ 513,312,510	$ 343,095,352	$ 222,471,233	$ 159,374,317
Weighted-average interest rate on leverage (8)	3.9 %	3.2 %	2.5 %	1.2 %	1.1 %
Weighted-average number of common shares	50,948,035	48,863,188	39,395,671	25,926,493	21,475,847
Average leverage per share (7)	$ 10.65	$ 10.51	$ 5.31	$ 3.44	$ 1.18

Asset Coverage:	*As of December 31,*				
	2016	***2015***	***2014***	***2013***	***2012***
Series A Preferred Equity Facility:					
Interests outstanding	—	—	6,700	6,700	6,700
Involuntary liquidation value per interest	N/A	N/A	$ 20,074	$ 20,075	$ 20,079
Asset coverage per interest	N/A	N/A	$ 51,592	$ 68,125	$ 50,475

Debt					
Debt outstanding [9]	$ 579,906,288	$ 502,410,321	$ 328,696,830	$ 95,000,000	$ 74,000,000
Asset coverage per $1,000 of debt outstanding	$ 2,344	$ 2,423	$ 8,973	$ 8,176	$ 7,077

(1) 2012 total return calculated assuming the Conversion and the initial public offering occurred on January 1, 2012.

(2) 2012 total return is based on an initial public offering price of $14.75.

(3) These ratios include interest expense but do not reflect the effect of dividends on the preferred equity facility.

(4) Net of incentive allocation and excise taxes.

(5) Excludes excise taxes.

(6) Includes incentive allocation payable to the General Partner and all Company expenses.

(7) Includes both debt and preferred leverage.

(8) Includes dividends on the preferred leverage facility.

(9) Excludes unamortized debt issuance costs which are netted in the Consolidated Statements of Assets and Liabilities.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

11. Select Quarterly Data (Unaudited)

	2016			
	Q4	Q3	Q2	Q1
Total investment income	$ 39,527,322	$ 38,468,990	$ 35,595,171	$ 34,589,282
Net investment income before taxes	24,153,673	25,665,057	23,133,724	22,870,379
Excise taxes	569,511	—	—	—
Net investment income	23,584,162	25,665,057	23,133,724	22,870,379
Net realized and unrealized gain	4,053,638	208,756	2,675,361	(6,823,253)
Incentive allocation reserve and distributions	(4,716,834)	(5,133,010)	(4,626,745)	(4,574,076)
Net increase in net assets resulting from operations	$ 22,920,966	$ 20,740,803	$ 21,182,340	$ 11,473,050
Basic and diluted earnings per common share	$ 0.44	$ 0.39	$ 0.43	$ 0.24

	2015			
	Q4	Q3	Q2	Q1
Total investment income	$ 39,616,003	$ 35,499,049	$ 38,937,820	$ 32,815,353
Net investment income before taxes	26,914,734	24,254,967	27,269,335	22,940,482
Excise taxes	876,706	—	—	—
Net investment income	26,038,028	24,254,967	27,269,335	22,940,482
Net realized and unrealized gain	(18,739,472)	(1,886,201)	(2,214,992)	435,554
Gain on repurchase of Series A preferred interests	—	—	1,675,000	—
Preferred dividends	—	(62,294)	(349,907)	(341,939)
Incentive allocation reserve and distributions	(5,207,604)	(4,838,534)	(5,383,887)	(4,519,709)
Net increase in net assets resulting from operations	$ 2,090,952	$ 17,467,938	$ 20,995,549	$ 18,514,388
Basic and diluted earnings per common share	$ 0.04	$ 0.36	$ 0.43	$ 0.38

	2014			
	Q4	Q3	Q2	Q1

Total investment income	$ 32,135,038	$ 27,190,466	$ 24,587,300	$ 22,668,644
Net investment income before taxes	22,684,324	19,200,190	18,426,208	17,790,654
Excise taxes	808,813	—	—	—
Net investment income	21,875,511	19,200,190	18,426,208	17,790,654
Net realized and unrealized gain	(24,967,480)	(4,505,178)	(3,011,938)	5,180,018
Preferred dividends	(360,303)	(362,169)	(357,060)	(358,640)
Incentive allocation reserve and distributions	(3,601,876)	(2,866,569)	(3,011,442)	(4,522,407)
Net increase in net assets resulting from operations	$ (7,054,148)	$ 11,466,274	$ 12,045,768	$ 18,089,625
Basic and diluted earnings per common share	$ (0.16)	$ 0.29	$ 0.33	$ 0.50

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TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates[1]

Year Ended December 31, 2016

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

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

N918DL Equipment Trust Beneficial Interests					
N954DL Equipment Trust Beneficial Interests	8,743	77,850	17,496	(95,346)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	2,433	(110,533)	—
N956DL Equipment Trust Beneficial Interests	8,362	104,478	2,571	(107,049)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	2,637	(107,966)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	2,702	(108,905)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	3,088	(109,025)	—

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

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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

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

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

TCP Capital Corp.

Consolidated Schedule of Changes in Investments in Affiliates[1]

Year Ended December 31, 2015

Security	Dividends or Interest[2]	Fair Value at December 31, 2014	Acquisitions[3]	Dispositions[4]	Fair Value at December 31, 2015
36th Street Capital Partners Holdings, LLC, Membership Units	$ 15,600	$ —	$ 225,000	$ —	$ 225,000
36th Street Capital Partners Holdings, LLC, Subordinated Promissory Note, 12%, due 11/1/20	—	—	900,000	—	900,000
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,017,764	250,236	—	9,268,000
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	592,466	4,869,577	—	—	4,869,577
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	715,131	—	12,054,264	(710,774)	11,343,490
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	124,828	—	2,612,408	—	2,612,408
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	22,329	—	2,105,366	(2,105,366)	—
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	—	—	200,686	—	200,686
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,330,125	14,656,950	121,560	(522,277)	14,256,233

KAGY Holding Company, Inc., Series A Preferred Stock	—	121,975	5,996,540	—	6,118,515
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	120,307	1,659,003	—	(1,340,023)	318,980
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	137,289	1,899,950	—	(1,329,647)	570,303
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	12,800	209,168	—	(93,551)	115,617
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	21,901	320,440	—	(82,946)	237,494
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	30,753	437,679	315	(95,260)	342,734
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	32,662	460,258	539	(91,635)	369,162
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	32,415	457,902	479	(93,184)	365,197
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	32,947	464,283	544	(92,435)	372,392
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	33,476	470,601	612	(91,691)	379,522
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	35,326	493,258	831	(90,220)	403,869
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	34,574	484,908	694	(92,487)	393,115
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	20,940	314,588	—	(96,267)	218,321
N913DL Equipment Trust Beneficial Interests	25,444	117,497	90,909	(100,905)	107,501
N918DL Equipment Trust Beneficial Interests	21,074	135,890	81,670	(89,898)	127,662
N954DL Equipment Trust Beneficial Interests	21,205	72,604	112,997	(107,751)	77,850
N955DL Equipment Trust Beneficial Interests	20,000	111,010	103,527	(106,437)	108,100
N956DL Equipment Trust Beneficial Interests	20,172	106,800	105,581	(107,903)	104,478
N957DL Equipment Trust Beneficial Interests	19,872	107,682	105,105	(107,458)	105,329
N959DL Equipment Trust Beneficial Interests	19,577	108,579	104,638	(107,014)	106,203
N960DL Equipment Trust Beneficial Interests	18,590	107,865	104,750	(106,678)	105,937
N961DL Equipment Trust Beneficial Interests	19,044	102,826	107,207	(108,546)	101,487

N976DL Equipment Trust Beneficial Interests	20,825	102,006	101,347	(102,560)	100,793
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	272,075	3,900,025	18,674	(199,544)	3,719,155
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	736,422	6,457,325	731,070	(2,697,402)	4,490,993

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Security	**Dividends or Interest[(2)]**	**Fair Value at December 31, 2014**	**Acquisitions[(3)]**	**Dispositions[(4)]**	**Fair Value at December 31, 2015**
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	238,052	2,567,717	239,889	(9,650)	2,797,956
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	165,715	1,636,314	164,641	(17,919)	1,783,036
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	120,207	631,164	1,557,069	—	2,188,233
United N659UA-767, LLC (N659UA)	581,125	3,177,822	1,268,821	(1,078,044)	3,368,599
United N661UA-767, LLC (N661UA)	569,770	3,078,923	1,230,498	(1,015,397)	3,294,024
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, accretion of original issue and market discounts and net unrealized appreciation.

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

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TCP Capital Corp.

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2016

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
Boomerang Tube Holdings, Inc., Common Stock	2/2/16
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
GACP I, LP, Membership Units	10/1/15
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC, Common Interest Units	9/10/12
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC, Class A Units	10/17/16
NEG Parent, LLC, Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class B Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class P Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Rightside Group, Ltd., Warrants	8/6/14
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soasta, Inc., Warrants to Purchase Series F Preferred Stock	3/4/16
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015

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, 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 (144A)	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
GACP I, LP, Membership Units	10/1/15
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC, Common Interest Units	9/10/12
NEXTracker, Inc., Series B Preferred Stock	12/17/14
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	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2016

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments, at fair value:				
Companies less than 5% owned	$ —	$ 1,175,097,468	$ —	$ 1,175,097,468
Companies 5% to 25% owned	—	69,355,808	—	69,355,808
Companies more than 25% owned	—	70,516,594	—	70,516,594
Investment in subsidiary	1,031,709,637	—	(1,031,709,637)	—
Total investments	1,031,709,637	1,314,969,870	(1,031,709,637)	1,314,969,870
Cash and cash equivalents	—	53,579,868	—	53,579,868
Accrued interest income	—	13,692,194	—	13,692,194
Deferred debt issuance costs	—	3,828,784	—	3,828,784
Prepaid expenses and other assets	371,466	1,156,279	—	1,527,745
Total assets	1,032,081,103	1,387,226,995	(1,031,709,637)	1,387,598,461
Liabilities				
Debt, net of unamortized issuance costs	237,871,436	333,787,426	—	571,658,862
Payable for investment securities purchased	—	12,348,925	—	12,348,925
Interest payable	2,298,333	2,715,380	—	5,013,713
Incentive allocation payable	—	4,716,834	—	4,716,834
Payable to the Advisor	—	325,790	—	325,790
Accrued expenses and other liabilities	975,343	1,623,003	—	2,598,346
Total liabilities	241,145,112	355,517,358	—	596,662,470
Net assets	**$ 790,935,991**	**$ 1,031,709,637**	**$ (1,031,709,637)**	**$ 790,935,991**
Composition of net assets				
Common stock	$ 53,042	$ —	$ —	$ 53,042

Additional paid-in capital	944,426,650	1,180,024,317	(1,180,024,317)	944,426,650
Accumulated deficit	(153,543,701)	(148,314,680)	148,314,680	(153,543,701)
Net assets	$ 790,935,991	$ 1,031,709,637	$ (1,031,709,637)	$ 790,935,991

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TCP Capital Corp.

Consolidating Statement of Assets and Liabilities

December 31, 2015

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Assets				
Investments, at fair value:				
Companies less than 5% owned	$ —	$ 1,099,208,475	$ —	$ 1,099,208,475
Companies 5% to 25% owned	—	69,008,931	—	69,008,931
Companies more than 25% owned	—	14,702,319	—	14,702,319
Investment in subsidiary	827,455,601	—	(827,455,601)	—
Total investments	827,455,601	1,182,919,725	(827,455,601)	1,182,919,725
Cash and cash equivalents	—	35,629,435	—	35,629,435
Deferred debt issuance costs	—	5,390,241	—	5,390,241
Accrued interest income	—	9,613,064	—	9,613,064
Unrealized appreciation on swaps	—	3,229,442	—	3,229,442
Prepaid expenses and other assets	283,913	2,047,131	—	2,331,044
Total assets	827,739,514	1,238,829,038	(827,455,601)	1,239,112,951
Liabilities				
Debt, net of unamortized issuance costs	103,738,064	394,467,407	—	498,205,471
Payable for investment securities purchased	—	6,425,414	—	6,425,414
Incentive allocation payable	—	5,207,606	—	5,207,606
Interest payable	247,916	2,663,341	—	2,911,257
Payable to the Advisor	247,574	260,760	—	508,334
Accrued expenses and other liabilities	1,528,943	2,348,909	—	3,877,852
Total liabilities	105,762,497	411,373,437	—	517,135,934
Net assets	**$ 721,977,017**	**$ 827,455,601**	**$ (827,455,601)**	**$ 721,977,017**
Composition of net assets				
Common stock	$ 48,834	$ —	$ —	$ 48,834

Additional paid-in capital	878,383,356	981,033,295	(981,033,295)	878,383,356
Accumulated deficit	(156,455,173)	(153,577,694)	153,577,694	(156,455,173)
Net assets	$ 721,977,017	$ 827,455,601	$ (827,455,601)	$ 721,977,017

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TCP Capital Corp.
Consolidating Statement of Operations

Year Ended December 31, 2016

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	$ —	$ 133,915,069	$ —	$ 133,915,069
Companies 5% to 25% owned	—	6,672,486	—	6,672,486
Companies more than 25% owned	—	4,430,859	—	4,430,859
Lease income:				
Companies more than 25% owned	—	1,571,280	—	1,571,280
Other income:				
Companies less than 5% owned	—	1,442,096	—	1,442,096
Companies more than 25% owned	—	148,975	—	148,975
Total investment income	—	148,180,765	—	148,180,765
Operating expenses				
Interest and other debt expenses	9,470,135	15,722,855	—	25,192,990
Management and advisory fees	—	18,881,786	—	18,881,786
Legal fees, professional fees and due diligence expenses	480,552	1,840,407	—	2,320,959
Administration expenses	—	1,693,304	—	1,693,304
Director fees	140,101	283,803	—	423,904
Insurance expense	124,203	257,949	—	382,152
Custody fees	3,500	309,573	—	313,073
Other operating expenses	912,551	2,237,213	—	3,149,764
Total expenses	11,131,042	41,226,890	—	52,357,932
Net investment income (loss) before income taxes	(11,131,042)	106,953,875	—	95,822,833
Excise tax expense	569,511	—	—	569,511
Net investment income (loss)	(11,700,553)	106,953,875	—	95,253,322
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	—	(15,499,336)	—	(15,499,336)
	—	417,446	—	417,446

Investments in companies 5% to 25% owned				
Investments in companies more than 5% owned	—	79,742	—	79,742
Net realized loss	—	(15,002,148)	—	(15,002,148)
Change in net unrealized appreciation/depreciation	—	15,116,650	—	15,116,650
Net realized and unrealized loss	—	114,502	—	114,502
Net increase (decrease) in net assets from operations	(11,700,553)	107,068,377	—	95,367,824
Interest in earnings of subsidiary	88,017,712	—	(88,017,712)	—
Distributions of incentive allocation to the General Partner from net investment income	—	—	(19,050,665)	(19,050,665)
Net increase in net assets applicable to common equityholders resulting from operations	$ 76,317,159	**$** 107,068,377	**$** (107,068,377)	$ 76,317,159

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TCP Capital Corp.

Consolidating Statement of Operations

Year Ended December 31, 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	$ —	$ 135,518,703	$ —	$ 135,518,703
Companies 5% to 25% owned	—	5,932,861	—	5,932,861
Companies more than 25% owned	—	560,989	—	560,989
Lease income:				
Companies 5% to 25% owned	—	1,352,797	—	1,352,797
Other income:				
Companies less than 5% owned	153,216	3,349,659	—	3,502,875
Total investment income	153,216	146,715,009	—	146,868,225
Operating expenses				
Interest and other debt expenses	6,770,147	12,125,830	—	18,895,977
Management and advisory fees	—	18,593,660	—	18,593,660
Legal fees, professional fees and due diligence expenses	1,665,182	1,175,657	—	2,840,839
Administrative expenses	—	1,600,477	—	1,600,477
Insurance expense	123,315	251,405	—	374,720
Director fees	104,906	213,411	—	318,317
Custody fees	3,500	296,555	—	300,055
Other operating expenses	1,451,769	1,112,893	—	2,564,662
Total expenses	10,118,819	35,369,888	—	45,488,707
Net investment income (loss) before income taxes	(9,965,603)	111,345,121	—	101,379,518
Excise tax expense	876,706	—	—	876,706
Net investment income (loss)	(10,842,309)	111,345,121	—	100,502,812
Net realized and unrealized gain (loss) on investments and foreign currency				
Net realized gain (loss):				
Investments in companies less than 5% owned	—	(7,077,393)	—	(7,077,393)
	—	(10,613,422)	—	(10,613,422)

Investments in companies 5% to 25% owned				
Investments in companies more than 5% owned	—	19,167	—	19,167
Net realized loss	—	(17,671,648)	—	(17,671,648)
Change in net unrealized appreciation/depreciation	—	(4,733,463)	—	(4,733,463)
Net realized and unrealized loss	—	(22,405,111)	—	(22,405,111)
Net increase (decrease) in net assets from operations	(10,842,309)	88,940,010	—	78,097,701
Interest in earnings of subsidiary	69,911,136	—	(69,911,136)	—
Gain on repurchase of Series A preferred interests	—	1,675,000	—	1,675,000
Dividends paid on Series A preferred equity facility	—	(1,251,930)	—	(1,251,930)
Net change in accumulated dividends on Series A preferred equity facility	—	497,790	—	497,790
Distributions of incentive allocation to the General Partner from net investment income	—	—	(19,949,734)	(19,949,734)
Net increase in net assets applicable to common equityholders resulting from operations	$ 59,068,827	$ 89,860,870	$ (89,860,870)	$ 59,068,827

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TCP Capital Corp.

Consolidating Statement of Operations

Year Ended December 31, 2014

	TCP Capital Corp. Standalone	Special Value Continuation Partners, LP Consolidated	Eliminations	TCP Capital Corp. Consolidated
Investment income				
Interest income:				
Companies less than 5% owned	$ —	$ 94,632,495	$ —	$ 94,632,495
Companies 5% to 25% owned	—	5,394,075	—	5,394,075
Companies more than 25% owned	—	896,695	—	896,695
Dividend income:				
Companies 5% to 25% owned	—	1,968,748	—	1,968,748
Lease income:				
Companies 5% to 25% owned	—	320,277	—	320,277
Companies more than 25% owned	—	1,014,053	—	1,014,053
Other income:				
Companies less than 5% owned	—	2,328,980	—	2,328,980
Companies 5% to 25% owned	—	26,125	—	26,125
Total investment income	—	106,581,448	—	106,581,448
Operating expenses				
Management and advisory fees	—	13,646,064	—	13,646,064
Interest and other debt expenses	3,624,661	6,197,090	—	9,821,751
Administrative expenses	—	1,421,863	—	1,421,863
Legal fees, professional fees and due diligence expenses	402,086	953,284	—	1,355,370
Director fees	117,943	239,107	—	357,050
Insurance expense	95,988	192,168	—	288,156
Custody fees	3,500	225,754	—	229,254
Other operating expenses	803,544	557,020	—	1,360,564
Total expenses	5,047,722	23,432,350	—	28,480,072
Net investment income (loss) before income taxes	(5,047,722)	83,149,098	—	78,101,376
Excise tax expense	808,813	—	—	808,813
Net investment income (loss)	(5,856,535)	83,149,098	—	77,292,563
Net realized and unrealized loss on investments and foreign currency				

Net realized loss:				
Investments in companies less than 5% owned	—	(16,370,638)	—	(16,370,638)
Investments in companies 5% to 25% owned	—	(4,748,229)	—	(4,748,229)
Net realized loss	—	(21,118,867)	—	(21,118,867)
Change in net unrealized appreciation/depreciation	—	(6,185,711)	—	(6,185,711)
Net realized and unrealized loss	—	(27,304,578)	—	(27,304,578)
Net increase (decrease) in net assets from operations	(5,856,535)	55,844,520	—	49,987,985
Interest in earnings of subsidiary	40,404,054	—	(40,404,054)	—
Dividends paid on Series A preferred equity facility	—	(1,444,634)	—	(1,444,634)
Net change in accumulated dividends on Series A preferred equity facility	—	6,462	—	6,462
Distributions of incentive allocation to the General Partner from net investment income	—	—	(15,170,877)	(15,170,877)
Net change in reserve for incentive allocation	—	—	1,168,583	1,168,583
Net increase in net assets applicable to common equityholders resulting from operations	$ 34,547,519	$ 54,406,348	$ (54,406,348)	$ 34,547,519

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners and Board of Directors of
Special Value Continuation Partners, LP
Los Angeles, California

We have audited the accompanying consolidated statements of assets and liabilities of Special Value Continuation Partners, LP (the Partnership), including the consolidated schedule of investments, as of December 31, 2016 and 2015, and the related consolidated statements of operations, changes in net assets, and cash flows for each of the two years in the period ended December 31, 2016. Our audit also included the 2016 and 2015 financial statement schedules listed in the Index at Item 15(a). These financial statements and financial statement schedules are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Special Value Continuation Partners, LP as of December 31, 2016 and 2015, and the results of its operations and its cash flows for each of the two years ended in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Los Angeles, California
February 28, 2017

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Special Value Continuation Partners, LP

We have audited the accompanying consolidated statements of operations, changes in net assets and cash flows of Special Value Continuation Partners, LP (a Delaware Limited Liability Partnership) (the Partnership) for the year ended December 31, 2014. These financial statements are the responsibility of the Partnership s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Partnership s internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements of Special Value Continuation Partners, LP referred to above present fairly, in all material respects, the consolidated results of its operations, changes in its net assets and its cash flows for the year ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP
Los Angeles, California
March 9, 2015

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

Consolidated Statements of Assets and Liabilities

	December 31, 2016	**December 31, 2015**
Assets		
Investments, at fair value:		
Companies less than 5% owned (cost of $1,174,421,611 and $1,123,682,687, respectively)	$ 1,175,097,468	$ 1,099,208,475
Companies 5% to 25% owned (cost of $75,508,585 and $68,862,518, respectively)	69,355,808	69,008,931
Companies more than 25% owned (cost of $96,135,623 and $39,162,221, respectively)	70,516,594	14,702,319
Total investments (cost of $1,346,065,819 and $1,231,707,426, respectively)	1,314,969,870	1,182,919,725
Cash and cash equivalents	53,579,868	35,629,435
Accrued interest income:		
Companies less than 5% owned	12,713,025	8,842,528
Companies 5% to 25% owned	953,561	741,306
Companies more than 25% owned	25,608	29,230
Deferred debt issuance costs	3,828,784	5,390,241
Unrealized appreciation on swaps	—	3,229,442
Options (cost of $51,750 at December 31, 2015)	—	—
Prepaid expenses and other assets	1,156,279	2,047,131
Total assets	1,387,226,995	1,238,829,038
Liabilities		
Debt, net of unamortized issuance costs	333,787,426	394,467,407
Payable for investments purchased	12,348,925	6,425,414
Interest payable	2,715,380	2,663,341
Incentive allocation payable	4,716,834	5,207,606
Payable to the Advisor	325,790	260,760
Accrued expenses and other liabilities	1,623,003	2,348,909
Total liabilities	355,517,358	411,373,437
Commitments and contingencies (Note 5)		
Net assets applicable to common limited and general partners	**$ 1,031,709,637**	**$ 827,455,601**

Composition of net assets applicable to common limited and general partners		
Paid-in capital in excess of par	$ 1,180,024,317	$ 981,033,295
Accumulated net investment income	17,764,674	25,141,636
Accumulated net realized losses	(134,962,632)	(132,485,958)
Accumulated net unrealized depreciation	(31,116,722)	(46,233,372)
Net assets applicable to common limited and general partners	$ 1,031,709,637	$ 827,455,601

See accompanying notes to the consolidated financial statements.

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

Consolidated Schedule of Investments

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
ents (A)										
es **to** **ediation**										
s nce, LP ource)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	7.75%	12/20/2021	$ 14,769,821	$ 14,623,499	$ 14,622,123	1.07
s nce, LP ource)	Revolver	LIBOR (Q)	1.00 %	6.75%	N/A	12/20/2021	$ —	(6,669)	(6,713)	—
t, Inc.	First Lien Term Loan B2	LIBOR (Q)	1.50 %	5.25%	6.75%	5/8/2017	$ 11,289,051	11,134,310	10,893,934	0.80
								25,751,140	25,509,344	1.87
es **to Real**										
tions,	First Lien FILO Term Loan	LIBOR (Q)	1.00 %	8.96%	9.96%	12/23/2019	$ 12,891,845	12,773,127	12,898,291	0.94
sing and										
ns **s**										
Inc. ore)	First Lien Delayed Draw Tranche 1	LIBOR (M)	0.33 %	10.17%	10.98%	9/1/2018	$ 15,000,000	14,772,946	14,704,508	1.07

	Term Loan (1.25% Exit Fee)										
Inc. ore)	First Lien Delayed Draw Tranche 2 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
Inc. ore)	First Lien Delayed Draw Tranche 3 Term Loan	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	—
								14,772,946	14,704,508	1.07 %
ortation										
r Group,	Acquisition Loan	LIBOR (M)	—	7.25%	8.00%	7/15/2022	$ 14,042,971	13,839,296	14,323,830	1.05 %
rlines,	Engine Acquisition Delayed Draw Term Loan A	LIBOR (M)	—	7.25%	8.00%	12/14/2021	$ 16,546,652	16,259,013	16,257,105	1.19 %
rlines,	Engine Acquisition Delayed Draw Term Loan B	LIBOR (M)	—	7.25%	N/A	2/28/2022	$ —	—	—	—
rlines,	Engine Acquisition Delayed Draw Term Loan C	LIBOR (M)	—	7.25%	N/A	12/31/2022	$ —	—	—	—
								30,098,309	30,580,935	2.24 %
ment creation										
ing I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$ —	(1,655,756)	(937,500)	(0.07 %)
uthern s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	6.5% Cash + 2% PIK	9.50%	11/3/2020	$ 24,220,291	23,755,180	23,735,885	1.73 %
uthern s, LLC	Sr Secured Revolver	LIBOR (Q)	1.00 %	6.5% Cash + 2% PIK	N/A	11/3/2020	$ —	(16,444)	(17,123)	—
								22,082,980	22,781,262	1.66 %

l cturing											
Bros.,	First Lien Term Loan (First Out)	LIBOR (Q)	1.25 %	5.75%	7.00%	6/3/2021	$	9,700,000	9,541,402	9,700,000	0.71
Bros.,	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.50%	6/3/2021	$	9,800,000	9,646,339	9,800,000	0.72
arel s, LLC	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.60%	10.60%	4/8/2019	$	2,714,632	2,705,143	2,741,779	0.20
									21,892,884	22,241,779	1.63
g ent ctors											
atacom rical,	First Lien Delayed Draw Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$	—	—	—	—
atacom rical,	First Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	7/25/2021	$	14,295,589	14,092,734	14,188,374	1.04
									14,092,734	14,188,374	1.04
s t s											
e Global ogies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	N/A	11/30/2018	$	—	(17,798)	70,000	0.01
e Global ogies,	Sr Secured Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	10.12%	11/30/2019	$	23,937,500	23,867,666	24,356,406	1.78
irway ions, st ge)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.25%	6/30/2023	$	31,000,000	30,588,757	30,336,600	2.22
									54,438,625	54,763,006	4.01

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

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nents ued)										
cals										
Plant ts gs, LLC	Sr Secured Term Loan (8.0% Exit Fee)	LIBOR (Q)	—	10.63%	11.63%	2/1/2018	$ 7,563,676	$ 7,995,360	$ 8,250,457	0.60 %
Biologics,	Sr Secured Delayed Draw Term Loan (12.4% Exit Fee)	Prime Rate	—	7.75%	11.50%	6/30/2019	$ 15,000,000	15,468,439	14,905,500	1.09 %
FE1 B.V. lands)	Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$ 253,581	245,565	251,684	0.02 %
FE1 B.V. lands)	First Lien Term Loan	LIBOR (Q)	—	8.00%	9.00%	10/12/2021	$ 3,864,583	3,836,083	3,835,599	0.28 %
s, Inc.	First Lien Delayed Draw Term Loan (3.5% Exit Fees)	LIBOR (Q)	—	9.81%	10.75%	4/1/2019	$ 10,000,000	9,526,456	9,712,000	0.71 %
								37,071,903	36,955,240	2.70 %
unications nent acturing										
omm s, Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	8.88%	12/11/2018	$ 14,480,001	14,335,200	14,480,002	1.06 %
e tion Co. m)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50%	7.50%	9/27/2023	$ 4,835,417	4,646,389	4,877,727	0.36 %
								18,981,589	19,357,729	1.42 %
ter										

s Design lated s										
nc. a)	First Lien Term Loan	LIBOR (Q)	1.00 %	6.75%	7.75%	9/1/2022	$ 9,975,000	9,784,353	9,875,250	0.72 %
ocket, Inc.	Senior Secured 1st Lien Term Loan	LIBOR (M)	1.00 %	10.00%	11.00%	2/10/2021	$ 17,500,000	16,884,459	17,291,750	1.26 %
oftware ation	Second Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.50%	5/29/2021	$ 6,993,035	6,953,617	7,001,777	0.51 %
o, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	8/16/2021	$ 23,295,455	22,630,922	22,887,784	1.67 %
o, Inc.	Senior Secured Revolver	LIBOR (Q)	1.00 %	9.50%	10.50%	8/16/2021	$ —	(47,341)	21,307	—
nterprise ns, Ltd. a)	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 2,314,000	2,314,000	2,314,000	0.17 %
nterprise ns, Ltd. a)	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 10,320,000	10,268,787	10,320,000	0.75 %
SA, LLC	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 3,738,000	3,738,000	3,738,000	0.27 %
SA, LLC	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.90%	9/3/2018	$ 3,160,000	3,151,013	3,160,000	0.23 %
ll ional, Inc.	First Lien Delayed Draw Term Loan (3.0% Exit Fee)	LIBOR (Q)	—	11.67%	12.48%	9/1/2018	$ 4,800,000	4,827,231	4,970,640	0.36 %
								80,505,041	81,580,508	5.94 %
rocessing osting s										
Centers, LC	First Lien Term Loan	Fixed	—	9.00%	9.00%	1/15/2020	$ 6,876,756	6,876,756	6,876,756	0.50 %
c Power ation, nission stribution										
ne able Fund 3,	First Lien Term Loan	Fixed	—	9% Cash + 1%	10.00%	9/10/2017	$ 7,518,173	7,491,471	7,442,991	0.54 %

onergy)				PIK						
onic onent acturing										
nc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (Q)	0.44 %	9.33%	10.15%	3/1/2018	$ 15,666,296	15,483,478	15,471,251	1.13 %
nc.	Tranche B Term Loan	LIBOR (Q)	0.44 %	9.33%	10.15%	9/1/2017	$ 1,603,779	1,556,152	1,563,204	0.11 %
								17,039,630	17,034,455	1.24 %
ment g										
reet Partners gs, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 29,203,304	29,203,304	29,203,304	2.13 %
Ocean, olexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 1,685,289	1,685,289	1,718,994	0.13 %
								30,888,593	30,922,298	2.26 %
es rt Services										
pment	First Lien Term Loan B	LIBOR (M)	1.25 %	6.75%	8.00%	3/15/2018	$ 879,513	834,963	853,128	0.06 %

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

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash anc Investmer
ents ed)										
al ent es										
a V plc n	Asset-Backed Credit Linked Notes	Fixed	—	13.13%	13.13%	8/2/2021	$ 15,000,000	$ 15,000,000	$ 14,994,000	1.10
Stores										
Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	8.80%	10.30%	10/8/2019	$ 9,333,235	9,297,529	9,426,567	0.69
ls										
althcare,	First Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.51%	8/28/2020	$ 12,071,083	11,857,665	12,375,878	0.90
Coast s ent,	Senior Secured 1st Lien Delayed Draw Term Loan	LIBOR (M)	2.00 %	9.70%	11.70%	10/23/2019	$ 10,828,233	10,806,929	10,828,233	0.79
								22,664,594	23,204,111	1.69
ce										
oup liate s, Inc.	Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ —	(8,333)	—	—
oup liate s, Inc.	First Lien Revolver	Prime	—	4.50%	8.25%	12/30/2021	$ —	(7,595)	—	—
oup liate	First Lien Term Loan	Prime	—	4.50%	8.25%	12/30/2022	$ 3,407,121	3,373,050	3,373,050	0.25

s, Inc. ion										
s, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	8.75%	9.75%	6/8/2023	$ 8,277,983	8,112,882	8,112,423	0.59 %
dings,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.50%	7.50%	8/31/2021	$ 3,750,000	3,689,740	3,731,250	0.27 %
e LLC ogy)	First Lien Term Loan	LIBOR (Q)	0.50 %	13.62%	14.49%	8/29/2019	$ 20,015,152	19,533,393	20,015,152	1.46 %
								34,693,137	35,231,875	2.57 %
of ncial s										
liate s 2,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	5/27/2022	$ 16,573,588	16,434,441	16,739,324	1.22 %
liate s 2,	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	5/27/2022	$ 3,426,412	3,396,918	3,460,676	0.25 %
								19,831,359	20,200,000	1.47 %
ment, c, and al ing										
ata & s, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	9.75%	10/31/2019	$ 23,995,511	23,613,049	23,699,166	1.73 %
Picture eo es										
ldings, ORE ament)	First Lien Term Loan	LIBOR (Q)	1.00 %	8.0% PIK	9.00%	10/17/2022	$ 1,445,592	1,445,592	1,387,712	0.10 %
ository diation										
kk C	First Lien Delayed Draw Term Loan	LIBOR (M)	0.50 %	9.50%	10.24%	12/21/2021	$ 32,392,942	31,888,166	31,939,467	2.33 %
			1.00 %	6.50%	7.50%	6/30/2020	$ 13,333,333	13,136,017	13,133,333	0.96 %

Home nc.	First Lien Delayed Draw Term Loan	LIBOR (M)								
an l Group n	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 28,678,000	28,568,148	29,108,170	2.13 %
k l nce,	First Lien Delayed Draw Term Loan	LIBOR (M)	—	9.50%	10.27%	1/12/2020	$ 17,500,000	17,300,337	16,992,500	1.24 %
ne oldings,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	3/26/2021	$ 16,062,731	15,912,928	16,207,296	1.18 %
nance I, Ltd. n	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	1.09 %
								121,889,596	122,238,506	8.93 %

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

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% o Tota Cash a Investm
stments d)										
ormation										
rnational,	Delayed Draw Term Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 1,251,626	$ 1,227,886	$ 1,231,183	0.09
rnational,	Revolver Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 491,303	480,225	481,674	0.04
rnational,	First Lien Term Loan	LIBOR (M)	1.00 %	8.50%	9.50%	7/31/2020	$ 15,408,563	15,204,465	15,257,559	1.11
Research,	First Lien Term Loan	LIBOR (Q)	0.50 %	10.50%	11.38%	12/11/2020	$ 4,936,601	4,853,985	4,973,625	0.36
d Ltd. ngdom)	Sr Secured Term Loan (2.0% Exit Fee)	LIBOR (M)	0.28 %	10.72%	11.60%	10/1/2018	$ 31,550,000	31,632,236	32,510,698	2.38
ldings, LLC ck)	Second Lien Term Loan	LIBOR (M)	1.00 %	7.75%	8.75%	11/6/2021	$ 19,988,392	19,769,829	19,663,581	1.44
								73,168,626	74,118,320	5.42
uring										
ling Corp.	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 4,869,577	4,869,577	4,869,710	0.36
ling Corp.	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2018	$ 9,268,000	7,586,317	9,268,000	0.68
ling Corp.	Delayed Draw Term Loan	Fixed	—	12.00%	12.00%	9/15/2018	$ 1,049,146	1,049,146	1,049,147	0.08
LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	6.25%	7.25%	11/15/2021	$ 5,000,000	4,900,613	5,000,000	0.37
g Tube,	Subordinated Notes	LIBOR (M)	—	17.50%	N/A	2/1/2021	$ 1,030,741	1,030,740	107,200	0.01
								19,436,393	20,294,057	1.50

blishing										
LC	First Lien Revolver	LIBOR (Q)	—	9.00%	N/A	4/29/2021	$ —	(24,000)	15,000	
LC	First Lien Term Loan	LIBOR (Q)	—	9.00%	9.88%	4/29/2021	$ 8,614,356	8,459,058	8,549,749	0.62
edia Health,	First Lien Term Loan B	LIBOR (M)	1.00 %	6.50%	7.50%	12/23/2021	$ 13,636,364	12,272,727	12,477,273	0.91
								20,707,785	21,042,022	1.53
nunications										
echnologies,	Second Lien Term Loan	LIBOR (Q)	1.25 %	7.75%	9.00%	4/30/2021	$ 4,516,129	4,470,968	4,407,177	0.32
uticals										
Medical nc.	First Lien Term Loan	LIBOR (M)	1.00 %	6.00%	7.00%	6/30/2022	$ 8,642,604	8,199,514	8,664,210	0.63
uring										
ernational,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	14,246,000	4,503,640	0.33
l Television ing										
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 7,312,000	7,312,000	4,435,972	0.32
Holdco,	Second Lien Term Loan	LIBOR (M)	1.25 %	8.75%	10.00%	7/22/2020	$ 15,981,496	15,727,220	16,141,311	1.18
								23,039,220	20,577,283	1.50
e Leasing										
ners of nc.	First Lien Term Loan	LIBOR (Q)	1.00 %	7.00%	8.00%	10/13/2022	$ 5,000,000	4,902,332	5,000,000	0.37
ts										
, LLC (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 1,943,371	1,943,371	1,943,371	0.14
, LLC (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/30/2018	$ 4,871,284	4,587,898	4,871,284	0.36
, LLC (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 9,683,150	9,683,150	3,154,770	0.23

, LLC (Real	Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 3,049,554	3,034,132	3,049,555	0.22
, LLC (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$ 4,251,368	4,251,368	4,251,368	0.31
								23,499,919	17,270,348	1.26
Inc.	First Lien Tranche A-1 Revolver	LIBOR (Q)	1.00 %	9.50%	10.50%	3/15/2021	$ 4,432,934	4,348,162	4,388,605	0.32
ountain	Second Lien Term Loan	LIBOR (M)	—	9.50%	10.44%	6/15/2018	$ 14,740,910	14,618,096	14,749,754	1.08
oree n	First Lien Term Loan	LIBOR (Q)	—	10.25%	11.18%	9/24/2020	$ 12,857,349	12,618,039	13,050,209	0.95
ole s, Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.50%	9.50%	9/25/2020	$ 20,672,789	20,491,699	20,879,517	1.53
								52,075,996	53,068,085	3.88

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

Consolidated Schedule of Investments (Continued)

December 31, 2016

	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Cash Invest
ments										
nications										
tions (United	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	$ 9,393,000	$ 5,665,153	0.
esearch oment										
ings, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	11/3/2021	$ 35,192,124	34,499,517	34,796,212	2.
ublishing										
rnational zerland)	First Lien Term Loan	LIBOR (Q)	1.00 %	11.50%	12.50%	6/9/2017	$ 28,336,513	28,329,478	28,165,077	2.
SA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.5% Cash + 1.25% PIK	10.75%	1/31/2020	$ 30,222,833	29,851,330	28,893,029	2.
LC	First Lien Term Loan	LIBOR (Q)	0.25 %	5.75% Cash + 3% PIK	9.63%	3/31/2019	$ 35,627,947	35,263,561	35,538,877	2.
1 US,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.35%	12/31/2017	$ 5,837,798	5,754,455	5,823,203	0.
Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	
Ultimate LC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,846,243	2,846,243	2,846,246	0.

Ultimate LC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 13,040,391	12,539,980	12,101,483	0.
isitionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.0% Cash + 2.0% PIK	9.00%	11/4/2019	$ 42,565,572	41,986,034	42,991,228	3.
isitionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 3,182,143	3,182,143	3,213,964	0.
Solutions,	Second Lien Term Loan	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,361	11,196,782	11,334,905	0.
Solutions)	Second Lien Term Loan B	LIBOR (Q)	—	13.00%	13.95%	9/10/2021	$ 11,513,362	11,196,782	11,334,905	0.
	Senior Secured 1st Lien Term Loan (4.0% Exit Fee)	LIBOR (M)	—	9.56%	10.50%	4/1/2019	$ 17,880,435	17,783,558	19,037,299	1.
	Convertible Promissory Note	Fixed	—	10.00%	10.00%	12/16/2017	$ 2,282,609	2,282,609	5,504,054	0.
c.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (M)	0.62 %	9.88%	10.69%	1/1/2019	$ 3,200,000	3,135,670	3,080,000	0.
								205,348,625	209,864,270	15.
nishings										
rpet Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 22,804,525	22,804,525	22,827,329	1.
rpet Mills,	First Lien Term Loan B	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 7,822,482	7,681,925	7,830,304	0.
								30,486,450	30,657,633	2.
em n										
Holdings yman	Bank Guarantee Credit Facility	Fixed	—	8.2% Cash + 3.5% PIK	11.70%	7/2/2017	$ 21,276,420	21,276,420	21,276,653	1.
Holdings yman	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 4,000,000	4,000,000	4,000,000	0.
								25,276,420	25,276,653	1.
s										

C	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	9/1/2021	$ 21,023,109	20,424,799	21,601,245	1.
nications										
ions,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.53%	5/31/2018	$ 332,044	328,743	326,682	0.0
ions,	First Lien Delayed Draw FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.66%	5/31/2018	$ 1,355,968	1,346,859	1,328,296	0.
ions,	First Lien FILO Term Loan	LIBOR (M)	1.00 %	7.42%	8.42%	5/31/2018	$ 7,255,721	7,183,589	7,139,992	0.
com c.	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.50%	9.75%	2/22/2020	$ 13,231,193	13,084,285	13,313,989	0.9
cific Corp.	First Lien Notes	LIBOR (Q)	1.00 %	8.50%	9.50%	2/24/2021	$ 10,000,000	9,715,362	10,000,000	0.
								31,658,838	32,108,959	2.
nications										
	Sr Secured Notes	Fixed	—	12.50%	12.50%	7/1/2022	$ 10,000,000	10,000,000	10,900,000	0.
s								1,254,861,949	1,248,887,808	91.

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Special Value Continuation Partners, LP
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Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities											
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	Warrants to Purchase Stock						562,496	$ 230,569	$ 87,356	0.01 %	C/E/H
Air Transportation											
Aircraft Leased to United Airlines, Inc.											
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests						683	3,250,956	3,191,938	0.23 %	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests						688	3,376,251	3,266,101	0.24 %	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock						1,843	855,313	1,909,600	0.14 %	C/E
								7,482,520	8,367,639	0.61 %	
Business Support Services											
Findly Talent, LLC	Membership Units						708,229	230,938	143,133	0.01 %	C/E
STG-Fairway Holdings, LLC (First Advantage)	Class A Units						841,479	325,432	1,112,351	0.08 %	C/E
								556,370	1,255,484	0.09 %	
Chemicals											

Green Biologics, Inc.	Warrants to Purchase Stock	909,300	274,213	875	—	C/E
Nanosys, Inc.	Warrants to Purchase Common Stock	800,000	605,266	611,920	0.05 %	C/E
			879,479	612,795	0.05 %	
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	1,530,000	0.11 %	B/C/E
Computer Systems Design and Related Services						
Waterfall International, Inc.	Series B Preferred Stock	1,428,571	1,000,000	1,145,286	0.08 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock	920,000	89,847	175,168	0.01 %	C/E
			1,089,847	1,320,454	0.09 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,205,306	0.09 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	366,489	0.03 %	C/E
			29,489,670	1,571,795	0.12 %	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	1,727,622	0.13 %	E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	54,525	—	E
			—	1,782,147	0.13 %	

Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	3,071,860	478,899	5,222	—	C/E
Equipment Leasing						
36th Street Capital Partners Holdings, LLC	Membership Units	6,818,897	6,818,897	6,818,897	0.50 %	C/E/F
Essex Ocean II, LLC	Membership Units	199,430	103,398	159,045	0.01 %	C/E/F
			6,922,295	6,977,942	0.51 %	
Financial Investment Activities						
GACP I, LP	Membership Units	16,615,951	16,735,088	16,866,903	1.23 %	C/E/I
Marsico Holdings, LLC	Common Interest Units	168,698	172,694	1,687	—	C/E/I
			16,907,782	16,868,590	1.23 %	
Metal and Mineral Mining						
EPMC HoldCo, LLC	Membership Units	1,312,720	—	210,035	0.02 %	B/E

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Special Value Continuation Partners, LP
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Consolidated Schedule of Investments (Continued)

December 31, 2016

suer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
quity Securities ontinued)											
otion Picture and ideo Industries											
EG Parent, LLC	Class A Units						1,182,779	$ 1,235,194	$ 1,292,023	0.09 %	C/E
EG Parent, LLC	Class P Units						1,537,613	1,537,613	1,551,056	0.11 %	C/E
EG Parent, LLC	Class A Warrants to Purchase Class A Units						343,387	196,086	196,086	0.01 %	C/E
EG Parent, LLC	Class B Warrants to Purchase Class A Units						346,794	198,032	198,032	0.02 %	C/E
								3,166,925	3,237,197	0.23 %	
ther Information ervices											
oundCloud, Ltd. Jnited Kingdom)	Warrants to Purchase Preferred Stock						946,498	79,082	95,502	0.01 %	C/E/H
ther lanufacturing											
GY Holding Corp.	Common Stock						1,333,527	—	—	—	B/C/E
oomerang Tube oldings, Inc.	Common Stock						24,288	243	—	—	C/E
AGY Holding ompany, Inc.	Series A Preferred						9,778	1,091,200	4,607,246	0.34 %	B/C/E

	Stock					
			1,091,443	4,607,246	0.34 %	
adio and Television roadcasting						
use Media, LLC	Warrants to Purchase Common Stock	233,470	300,322	—	—	C/E
estaurants						
M Holdco, LLC Real Mex)	Equity Participation	24	—	—	—	B/C/E
M Holdco, LLC Real Mex)	Membership Units	13,161,000	2,010,777	—	—	B/C/E
			2,010,777	—	—	
etail						
hop Holding, LLC Connexity)	Class A Units	507,167	480,049	—	—	C/E
oftware Publishing						
lackline ntermediate, Inc.	Warrants to Purchase Common Stock	246,546	522,678	5,300,373	0.39 %	C/E
dmentum Ultimate oldings, LLC	Class A Common Units	159,515	680,226	1,123,591	0.08 %	B/C/E
pasta, Inc.	Warrants to Purchase Series F Preferred Stock	1,251,630	533,192	794,535	0.06 %	C/E
tilidata, Inc.	Warrants to Purchase Stock	719,998	216,336	204,983	0.01 %	C/E
			1,952,432	7,423,482	0.54 %	
tility System onstruction						
awa Solar Holdings imited (Cayman lands)	Ordinary Shares	2,332,594	—	—	—	C/E/F/I
awa Solar Holdings imited (Cayman lands)	Series B Preferred Shares	93,023	1,395,349	1,395,350	0.10 %	C/E/F/I
			1,395,349	1,395,350	0.10 %	

Vired elecommunications arriers						
itegra Telecom, Inc.	Common Stock	1,274,522	8,433,884	6,533,964	0.48 %	C/E
itegra Telecom, Inc.	Warrants	346,939	19,920	—	—	C/E
Telecom Investment C.A. (Vivacom) Luxembourg)	Common Shares	1,393	3,236,256	2,199,862	0.16 %	C/D/E/
			11,690,060	8,733,826	0.64 %	
otal Equity ecurities			91,203,870	66,082,062	4.83 %	
otal Investments			$ 1,346,065,819	$ 1,314,969,870		

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Consolidated Schedule of Investments (Continued)

December 31, 2016

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Cash and Cash Equivalents											
Cash Held on Account at Various Institutions									$ 53,579,868	3.92 %	
Cash and Cash Equivalents									53,579,868	3.92 %	
Total Cash and Investments									$ 1,368,549,738	100.00 %	L

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure.

(E) Restricted security. (See Note 2)

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

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

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

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

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

(K)

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

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

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

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

See accompanying notes to the consolidated financial statements.

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	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash a Investm
nts (A)										
ng, Payroll										
ings, rt										
	Holdco PIK Notes	LIBOR (A)	3.00 %	10.00%	13.00%	10/3/2018	$ 64,783	$ 64,783	$ 64,783	0.01
bbal LLC	Second Lien Term Loan	LIBOR (Q)	1.50 %	11.00%	12.50%	10/3/2018	$ 15,249,675	15,041,186	15,249,675	1.25
								15,105,969	15,314,458	1.26
ng,										
y III										
nited	First Lien Facility A1 Term Loan	EURIBOR (Q)	1.25 %	5.75%	7.00%	3/18/2018	€12,249,157	15,931,220	13,171,984	1.08
nc. e)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33 %	10.17%	10.50%	9/1/2018	$ 13,145,041	12,695,719	12,776,341	1.05
nc. e)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$ —	—	—	

	Fee)										
nc. e)	First Lien Delayed Draw Tranche 1 Term Loan (1.25% Exit Fee)	LIBOR (M)	0.33 %	10.17%	N/A	9/1/2018	$	—	—	—	
									28,626,939	25,948,325	2.13
tation											
eased ir											
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	3/15/2017	$	114,196	114,196	115,617	0.01
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	8/15/2018	$	233,219	233,219	237,494	0.02
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	3/20/2019	$	336,554	336,554	342,734	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	6/20/2019	$	362,232	362,232	369,162	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	5/20/2019	$	358,380	358,380	365,197	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	6/20/2019	$	365,401	365,401	372,392	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	7/20/2019	$	372,361	372,361	379,522	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	10/20/2019	$	396,169	396,169	403,869	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	8/20/2019	$	385,667	385,667	393,115	0.03
	Aircraft Secured Mortgage	Fixed	—	8.00%	8.00%	2/15/2018	$	214,686	214,686	218,321	0.02
eased											
nc.											

	Aircraft Secured Mortgage	Fixed	—	12.00%	12.00%	2/28/2016	$ 313,315	313,315	318,980	0.03
	Aircraft Secured Mortgage	Fixed	—	12.00%	12.00%	5/4/2016	$ 557,684	557,684	570,303	0.05
TD.	Aircraft Acquisition Loan A	LIBOR (M)	—	8.50%	8.75%	1/31/2023	$ 14,250,773	13,982,969	14,252,198	1.17
TD.	Aircraft Acquisition Loan A1	LIBOR (M)	—	8.50%	N/A	1/31/2023	$ —	—	—	
Group,	Acquisition Delayed Draw Loan	LIBOR (M)	—	7.25%	N/A	6/17/2019	$ —	—	278,288	0.02
Group,	Acquisition Loan	LIBOR (M)	—	7.25%	7.62%	7/15/2022	$ 15,997,019	15,724,234	16,324,958	1.34
								33,717,067	34,942,150	2.87
uring										
os.,	First Lien Term Loan A (First Out)	LIBOR (Q)	1.25 %	5.75%	7.00%	6/3/2021	$ 9,940,000	9,743,116	9,741,200	0.80
os.,	First Lien Term Loan B (Last Out)	LIBOR (Q)	1.25 %	12.25%	13.50%	6/3/2021	$ 9,960,000	9,762,553	9,760,800	0.80
el LLC	First Lien FILO Term Loan	LIBOR (M)	1.00 %	9.60%	10.60%	4/8/2019	$ 3,669,926	3,645,226	3,669,926	0.30
								23,150,895	23,171,926	1.90
Global ies,	Sr Secured Revolving Loan	LIBOR (Q)	0.23 %	8.52%	8.75%	11/30/2017	$ —	(69,938)	(123,750)	(0.01
Global ies,	Sr Secured Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.23 %	9.27%	9.50%	11/30/2019	$ 17,281,250	17,043,402	16,996,109	1.39
vay ns, e)	Second Lien Term Loan	LIBOR (Q)	1.00 %	9.25%	10.25%	6/30/2023	$ 31,000,000	30,546,700	31,883,500	2.62
								47,520,164	48,755,859	4.00

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nvestments ued)										
cals										
Plant ts gs, LLC	Sr Secured Term Loan (8.0 % Exit Fee)	LIBOR (M)	0.23 %	10.27%	10.50%	2/1/2018	$ 7,700,000	$ 7,993,675	$ 8,059,280	0.66 %
ber, Inc.	Sr Secured Term Loan (8.25% Exit Fee)	LIBOR (M)	0.23 %	9.27%	9.50%	12/1/2017	$ 10,000,000	10,226,245	10,509,000	0.86 %
Biologics,	Sr Secured Delayed Draw Term Loan (10.0% Exit Fee)	Prime Rate	—	7.75%	11.25%	5/1/2018	$ 15,000,000	14,927,838	15,175,500	1.25 %
								33,147,758	33,743,780	2.77 %
unications nent acturing										
omm s, Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	7.63%	8.88%	12/11/2018	$ 14,629,280	14,482,987	14,256,233	1.17 %
ter nent acturing										
Graphics tional	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.00%	7/27/2018	$ 18,432,723	18,157,715	18,570,968	1.52 %
ter s Design lated										

s										
rt, LLC	First Lien Term Loan	LIBOR (Q)	0.25 %	4.75% Cash + 4% PIK	9.00%	3/31/2019	$ 34,564,922	34,069,278	34,459,499	2.83 %
oftware ation	Second Lien Term Loan	LIBOR (M)	1.00 %	7.50%	8.50%	5/29/2021	$ 6,993,035	6,938,605	6,153,871	0.51 %
nterprise ns, Ltd. a)	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.32%	9/3/2018	$ 2,337,733	2,337,733	2,355,266	0.19 %
nterprise ns, Ltd. a)	First Lien Term Loan	LIBOR (Q)	—	7.00%	7.32%	9/3/2018	$ 10,426,667	10,343,578	10,322,400	0.85 %
SA, LLC	First Lien Term Loan B	LIBOR (Q)	—	8.00%	8.32%	9/3/2018	$ 4,675,467	4,675,467	4,710,533	0.39 %
SA, LLC	First Lien Term Loan	LIBOR (Q)	—	7.00%	7.32%	9/3/2018	$ 5,213,333	5,175,467	5,161,200	0.42 %
ix, LLC	First Lien Revolver	LIBOR (Q)	0.50 %	8.50%	9.00%	12/4/2018	$ 365,437	361,329	365,437	0.03 %
ix, LLC	First Lien Term Loan	LIBOR (M)	0.50 %	8.50%	9.00%	12/4/2018	$ 6,205,583	6,155,701	6,050,443	0.50 %
ll ional, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	11.67%	12.00%	9/1/2018	$ 4,800,000	4,678,943	4,733,280	0.39 %
								74,736,101	74,311,929	6.11 %
rocessing osting s										
ional, Inc.	Delayed Draw Term Loan	LIBOR (M)	1.00 %	7.00%	8.00%	7/31/2020	$ 3,430,383	3,396,023	3,404,827	0.28 %
ional, Inc.	Revolver Loan	LIBOR (M)	1.00 %	7.00%	8.00%	7/31/2020	$ 242,376	234,663	242,376	0.02 %
ional, Inc.	First Lien Term Loan	LIBOR (M)	1.00 %	7.00%	8.00%	7/31/2020	$ 8,109,426	7,979,611	8,050,389	0.66 %
de Group,	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.75%	9.38%	8/6/2019	$ 4,750,000	3,991,890	4,828,375	0.40 %
TLD , Ltd. ide) n Islands)	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.75%	9.38%	8/6/2019	$ 9,500,000	7,983,779	9,656,750	0.79 %
								23,585,966	26,182,717	2.15 %

c Power ation, nission stribution										
ne able Fund 3, Conergy)	First Lien Term Loan	Fixed	—	9% Cash + 1% PIK	10.00%	9/10/2017	$ 7,461,240	7,397,199	7,386,628	0.61 %
cal nent acturing										
chnologies	First Lien Term Loan	LIBOR (Q)	1.50 %	8.50%	10.00%	2/6/2018	$ 6,165,986	6,130,433	6,058,081	0.50 %
chnologies	First Lien Term Loan	LIBOR (Q)	1.50 %	8.50%	10.00%	2/6/2018	$ 3,991,338	3,921,387	3,921,490	0.32 %
								10,051,820	9,979,571	0.82 %
onic onent acturing										
MN ables, LLC Biologics)	Sr Secured Revolver (3.0% Exit Fee)	Fixed	—	8.25%	N/A	1/1/2016	$ —	—	—	—
ve, Inc.	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	10.72%	N/A	7/1/2018	$ —	(121,106)	—	—
Inc.	Tranche A Term Loan (3.0% Exit Fee)	LIBOR (M)	0.44 %	9.33%	9.77%	3/1/2018	$ 22,500,000	21,452,673	21,411,000	1.76 %
Inc.	Tranche B Term Loan	LIBOR (M)	0.44 %	9.33%	9.77%	9/1/2017	$ 1,687,500	1,571,025	1,567,434	0.13 %
								22,902,592	22,978,434	1.89 %

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	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% of Total Cash and Investmen
nvestments (continued)										
ment g										
reet Partners gs, LLC	Senior Note	Fixed	—	12.00%	12.00%	11/1/2020	$ 900,000	$ 900,000	$ 900,000	0.07 %
Ocean,	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	3/25/2019	$ —	—	—	—
Ocean, olexel)	Sr Secured Term Loan	Fixed	—	8.00%	8.00%	8/15/2018	$ 2,631,033	2,631,033	2,641,294	0.22 %
								3,531,033	3,541,294	0.29 %
ial ment es										
onal older s, Inc.	Second Lien Term Loan	LIBOR (Q)	1.00 %	7.50%	8.50%	4/30/2022	$ 4,471,492	4,437,802	4,270,275	0.35 %
nt, Inc.	First Lien Term Loan B2	LIBOR (Q)	1.50 %	5.25%	6.75%	5/8/2017	$ 6,763,751	6,425,563	6,502,839	0.53 %
ia V plc n	Asset-Backed Credit Linked Notes	Fixed	—	13.13%	13.13%	8/2/2021	$ 15,000,000	15,000,000	14,881,500	1.22 %
								25,863,365	25,654,614	2.10 %
g										
ning I,	First Lien Revolver	LIBOR (M)	—	8.25%	N/A	12/20/2018	$ —	(1,862,302)	(1,250,000)	(0.10 %
y Stores										
Inc.	First Lien FILO Term Loan	LIBOR (M)	1.50 %	7.00%	8.50%	10/8/2019	$ 10,033,866	9,995,480	10,111,127	0.83 %

als										
, Inc.	First Lien Term Loan	LIBOR (Q)	1.00 %	9.00%	10.00%	7/1/2018	$ 3,907,686	3,888,148	3,912,571	0.32 %
ealthcare,	First Lien Term Loan	Prime Rate	—	8.25%	11.75%	8/28/2020	$ 17,157,214	16,790,143	17,043,118	1.40 %
alCare l s, Inc.	Second Lien Term Loan	LIBOR (M)	1.00 %	10.25%	11.25%	10/23/2019	$ 21,017,525	20,777,746	20,807,350	1.71 %
								41,456,037	41,763,039	3.43 %
nce rs										
e, LLC	Second Lien Incremental Notes	LIBOR (Q)	1.00 %	9.00%	10.00%	11/19/2022	$ 7,080,555	6,944,926	7,063,562	0.58 %
e, LLC	Second Lien Notes	LIBOR (Q)	1.00 %	9.00%	10.00%	11/19/2022	$ 12,720,998	12,542,859	12,690,468	1.04 %
e, LLC	Second Lien Incremental Notes	LIBOR (Q)	1.00 %	9.00%	10.00%	11/19/2022	$ 3,846,850	3,795,306	3,837,597	0.31 %
ldings,	First Lien Term Loan	LIBOR (Q)	1.00 %	6.25%	7.25%	8/31/2021	$ 3,950,000	3,874,773	3,732,750	0.31 %
ple , LLC logy)	First Lien Term Loan	LIBOR (Q)	0.50 %	11.50%	12.00%	8/29/2019	$ 20,000,000	19,375,352	19,936,000	1.64 %
								46,533,216	47,260,377	3.88 %
nce l es										
Seguros g II Co.	Second Lien Term Loan	LIBOR (M)	1.25 %	9.00%	10.25%	5/8/2019	$ 11,061,809	10,950,946	10,951,191	0.90 %
s of ancial es										
diate gs 2, LLC	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	5/27/2022	$ 15,990,714	15,853,293	15,690,888	1.29 %
diate gs 2, LLC	Second Lien Incremental Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	5/27/2022	$ 3,474,715	3,440,934	3,409,564	0.28 %
								19,294,227	19,100,452	1.57 %
ement, fic, and cal ting										

s										
Data & cs, LLC	First Lien Term Loan	LIBOR (Q)	1.00 %	8.75%	9.75%	10/31/2019	$ 24,693,587	24,159,891	24,267,623	1.99 %
l nent and es acturing										
tus, LLC	Second Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	4/10/2020	$ 11,000,000	10,819,241	10,835,000	0.89 %
Picture deo ries										
nment,	First Lien Term Loan	Fixed	—	11.00%	11.00%	6/21/2017	$ 9,462,231	9,425,030	4,667,719	0.38 %
nment,	Second Lien Term Loan	Fixed	—	15.50%	15.50%	6/21/2018	$ 7,569,785	7,700,187	291,058	0.02 %
								17,125,217	4,958,777	0.40 %

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	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	C Inv
nts (continued)										
n ncial n	Sr Secured Notes	Fixed	—	11.50%	11.50%	11/15/2019	$ 26,975,000	$ 26,829,614	$ 26,705,250	
cial C	First Lien Delayed Draw Term Loan	LIBOR (Q)	—	9.50%	9.92%	1/12/2020	$ 5,000,000	4,621,333	4,919,250	
ct	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	3/26/2021	$ 16,305,999	16,125,251	16,133,156	
s)	Secured Class B Notes	Fixed	—	10.75%	10.75%	11/13/2018	$ 15,084,000	15,084,000	14,857,740	
								62,660,198	62,615,396	
Coast , LLC	First Lien Term Loan B	Prime Rate	—	7.50%	11.00%	2/27/2018	$ 14,812,500	14,714,767	13,479,375	
nergy,	Second Lien Term Loan	LIBOR (Q)	1.00 %	8.50%	9.50%	8/4/2019	$ 8,095,238	7,784,717	6,773,043	
								22,499,484	20,252,418	
tion										
rch,	First Lien Term Loan	LIBOR (Q)	0.50 %	10.50%	11.13%	12/11/2020	$ 5,128,936	5,026,844	5,026,357	
s, LLC	Second Lien Term Loan	LIBOR (M)	1.00 %	7.75%	8.75%	11/6/2021	$ 19,988,392	19,735,864	18,789,089	
								24,762,708	23,815,446	
g										
Corp.	Sr Secured Term Loan	Fixed	—	12.00%	12.00%	9/15/2016	$ 4,869,577	4,869,577	4,869,577	

Corp.	Second Lien Notes	Fixed	—	11.00%	11.00%	11/15/2016	$ 9,268,000	7,586,317	9,268,000
pe,	Second Lien Term Loan	LIBOR (Q)	1.50 %	9.50%	11.00%	10/11/2017	$ 3,825,453	4,010,758	1,759,709
pe,	Super Priority Debtor-in-Possession	Prime Rate	—	10.00%	13.50%	11/30/2015	$ 1,124,444	1,124,444	1,124,444
								17,591,096	17,021,730
ations									
ologies,	Second Lien Term Loan	LIBOR (Q)	1.25 %	7.75%	9.00%	4/30/2021	$ 14,000,000	13,860,000	7,924,000
ing									
A, Inc.	First Lien Revolver	LIBOR (M)	—	6.75%	7.18%	5/20/2018	$ 3,456,500	2,886,378	3,003,668
A, Inc.	First Lien Term Loan	LIBOR (Q)	1.25 %	6.75%	8.00%	11/20/2018	$ 5,681,239	5,582,994	5,425,584
								8,469,372	8,429,252
als									
cal	First Lien Term Loan	LIBOR (Q)	1.00 %	6.00%	7.00%	6/30/2022	$ 5,970,000	5,879,117	5,492,400
g									
ional,	Sr Secured Notes	Fixed	—	9.50%	9.50%	6/1/2018	$ 13,600,000	13,600,000	8,918,010
evision									
	Sr Secured Notes	Fixed	—	10.38%	10.38%	7/1/2019	$ 7,312,000	7,312,000	5,776,480
co,	Second Lien Term Loan	LIBOR (M)	1.25 %	8.75%	10.00%	7/22/2020	$ 10,000,000	10,019,257	9,450,000
nnel,	First Lien Term Loan	LIBOR (Q)	—	8.50%	8.88%	5/29/2017	$ 32,520,727	32,351,929	32,675,201
								49,683,186	47,901,681
C (Real	Convertible Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 1,783,036	1,779,352	1,783,036
C (Real	First Lien Term Loan Tranche A	Fixed	—	7.00%	7.00%	3/21/2016	$ 3,719,155	3,717,664	3,719,155
C (Real	Second Lien Term Loan Tranche B	Fixed	—	8.50%	8.50%	3/30/2018	$ 8,884,258	8,884,258	4,490,993
C (Real	Second Lien Term Loan Tranche B-1	Fixed	—	8.50%	8.50%	3/30/2018	$ 2,797,956	2,782,534	2,797,956

C (Real	Sr Convertible Second Lien Term Loan B	Fixed	—	8.50%	8.50%	3/30/2018	$	2,188,233	2,188,233	2,188,233
									19,352,041	14,979,373

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	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Principal	Cost	Fair Value	% To Cash Invest
ments (continued)										
e Inc.	First Lien FILO Term Loan	LIBOR (M)	1.00 %	8.50%	9.50%	9/25/2020	$ 13,185,494	$ 13,049,991	$ 13,317,349	1.
nc.	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	2/13/2020	$ 6,354,563	6,354,563	6,237,956	0.
								19,404,554	19,555,305	1.
nications										
tions (United	Sr Secured Notes	Fixed	—	10.00%	10.00%	10/1/2019	$ 9,393,000	9,393,000	7,336,027	0.
esearch ment										
tories,	Senior Secured Notes	Fixed	—	12.25%	12.25%	4/1/2017	$ 38,932,000	39,001,750	40,489,280	3.
blishing										
rnational zerland)	First Lien Term Loan	LIBOR (Q)	1.00 %	9.50%	10.50%	2/21/2017	$ 29,485,290	29,375,415	28,170,246	2.
SA), LLC	Second Lien Term Loan	LIBOR (Q)	0.50 %	8.50%	9.00%	1/31/2020	$ 30,000,000	29,529,480	28,023,000	2.
ystems,	First Lien Term Loan	LIBOR (Q)	1.50 %	0.4% Cash + 7.6% PIK	9.50%	9/25/2018	$ 14,619,396	13,946,601	14,765,590	1.
Networks,	First Lien Term Loan	LIBOR (Q)	—	9.50%	10.11%	12/3/2020	$ 6,062,304	5,881,725	5,880,435	0.

Inc.	Jr Revolving Facility	Fixed	—	5.00%	5.00%	6/9/2020	$ —	—	—	
Ultimate LC	Sr PIK Notes	Fixed	—	8.50%	8.50%	6/9/2020	$ 2,612,408	2,612,408	2,612,408	0.
Ultimate LC	Jr PIK Notes	Fixed	—	10.00%	10.00%	6/9/2020	$ 11,791,569	11,176,985	11,343,490	0.
isitionco,	First Lien Term Loan	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 41,924,150	41,178,969	42,029,025	3.
isitionco,	Sr Secured Revolver	LIBOR (Q)	1.00 %	8.00%	9.00%	11/4/2019	$ 1,272,857	1,272,857	1,276,039	0.
Ltd. gdom)	Sr Secured Term Loan (2.0% Exit Fees)	LIBOR (Q)	0.28 %	10.72%	11.00%	10/1/2018	$ 31,550,000	31,341,229	31,395,405	2.
c.	First Lien Delayed Draw Term Loan (1.0% Exit Fee)	LIBOR (Q)	0.62 %	9.88%	10.50%	1/1/2019	$ 3,200,000	2,906,672	2,903,680	0.
Inc.	First Lien Term Loan	LIBOR (Q)	—	8.00%	8.63%	5/21/2020	$ 7,500,000	7,398,976	7,471,875	0.
								176,621,317	175,871,193	14.
nishings										
rpet Mills,	First Lien Term Loan	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 25,000,000	25,000,000	24,785,000	2.
rpet Mills,	First Lien Term Loan B	LIBOR (Q)	1.00 %	10.00%	11.00%	12/19/2019	$ 8,575,581	8,378,569	8,501,831	0.
								33,378,569	33,286,831	2.
em n										
Holdings	Revolving Credit Facility	Fixed	—	8.20%	8.20%	7/2/2017	$ 25,000,000	25,000,000	25,000,000	2.
nications										
tions,	First Lien Delayed Draw FILO Term Loan	LIBOR (Q)	1.00 %	6.92%	7.92%	5/31/2018	$ 1,064,676	1,046,166	1,058,812	0.
tions,	First Lien FILO Term	LIBOR (Q)	1.00 %	6.92%	7.92%	5/31/2018	$ 7,938,819	7,859,897	7,895,156	0.

	Loan									
com c.	Second Lien Term Loan	LIBOR (Q)	1.25 %	8.50%	9.75%	2/22/2020	$ 13,231,193	13,039,047	12,883,874	1.(
nty nd ompany	First Lien Term Loan	LIBOR (Q)	1.00 %	7.13%	8.13%	8/31/2020	$ 4,000,000	3,943,631	3,922,000	0.:
								25,888,741	25,759,842	2.
nications										
	First Lien Term Loan	LIBOR (Q)	1.50 %	9.75%	11.25%	3/21/2018	$ 32,822,506	32,877,865	33,150,731	2.'
s								1,160,372,521	1,130,535,387	92.'

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

Consolidated Schedule of Investments

December 31, 2015

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Equity Securities											
Advertising and Public Relations Services											
InMobi, Inc. (Singapore)	Warrants to Purchase Stock						17,578	$ 230,569	$ 233,543	0.02 %	C/E/H
Air Transportation											
Aircraft Leased to Delta Air Lines, Inc.											
N913DL	Trust Beneficial Interests						1,316	84,164	107,501	0.01 %	E/F
N918DL	Trust Beneficial Interests						1,053	86,044	127,662	0.01 %	E/F
N954DL	Trust Beneficial Interests						975	95,345	77,850	0.01 %	E/F
N955DL	Trust Beneficial Interests						937	92,045	108,100	0.01 %	E/F
N956DL	Trust Beneficial Interests						946	91,995	104,478	0.01 %	E/F
N957DL	Trust Beneficial Interests						937	92,417	105,329	0.01 %	E/F
N959DL	Trust Beneficial						928	92,840	106,203	0.01 %	E/F

	Interests					
N960DL	Trust Beneficial Interests	902	94,503	105,937	0.01 %	E/F
N961DL	Trust Beneficial Interests	919	94,018	101,487	0.01 %	E/F
N976DL	Trust Beneficial Interests	1,130	87,968	100,793	0.01 %	E/F
Aircraft Leased to United Airlines, Inc.						
United N659UA-767, LLC (N659UA)	Trust Beneficial Interests	652	3,143,045	3,368,599	0.28 %	E/F
United N661UA-767, LLC (N661UA)	Trust Beneficial Interests	632	3,062,496	3,294,024	0.27 %	E/F
Epic Aero, Inc. (One Sky)	Warrants to Purchase Common Stock	1,843	855,313	3,173,450	0.26 %	C/E
			7,972,193	10,881,413	0.91 %	
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	2,616,916	0.21 %	C/E
			556,370	2,779,100	0.22 %	
Chemicals						
Green Biologics, Inc.	Warrants to Purchase Stock	376,147	272,594	236,634	0.02 %	C/E
Communications Equipment Manufacturing						
Wasserstein Cosmos Co-Invest, L.P. (Globecomm)	Limited Partnership Units	5,000,000	5,000,000	4,198,500	0.34 %	B/C/E

Computer Systems Design and Related Services						
Waterfall International, Inc.	Series B Preferred Stock	1,428,571	1,000,000	999,714	0.08 %	C/E
Waterfall International, Inc.	Warrants to Purchase Stock	857,143	57,026	57,686	—	C/E
			1,057,026	1,057,400	0.08 %	
Data Processing and Hosting Services						
Anacomp, Inc.	Class A Common Stock	1,255,527	26,711,048	1,581,964	0.13 %	C/E/F
Rightside Group, Ltd.	Warrants	498,855	2,778,622	919,030	0.07 %	C/E
			29,489,670	2,500,994	0.20 %	
Electrical Equipment Manufacturing						
NEXTracker, Inc.	Series B Preferred Stock	558,884	—	2,929,279	0.24 %	C/E
NEXTracker, Inc.	Series C Preferred Stock	17,640	—	92,460	0.01 %	C/E
			—	3,021,739	0.25 %	
Electronic Component Manufacturing						
Soraa, Inc.	Warrants to Purchase Common Stock	630,000	499,189	180,432	0.01 %	C/E

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

Consolidated Schedule of Investments

December 31, 2015

er	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	No
ity Securities tinued)											
ipment Leasing											
Street Capital ners Holdings,	Membership Units						225,000	$ 225,000	$ 225,000	0.02 %	C/E/
x Ocean II, LLC	Membership Units						199,430	199,429	200,686	0.02 %	C/F
								424,429	425,686	0.04 %	
ancial Investment vities											
CP I, LP	Membership Units						8,470,305	8,589,442	8,589,760	0.70 %	C/E/
sico Holdings,	Common Interest Units						168,698	172,694	5,061	—	C/E/
								8,762,136	8,594,821	0.70 %	
al and Mineral ing											
IC HoldCo, LLC	Membership Units						1,312,720	—	682,614	0.06 %	B/E
er nufacturing											
GY Holding npany, Inc.	Series A Preferred Stock						9,778	1,091,200	6,118,515	0.50 %	B/C/
ision Holdings,	Class C Membership Interest						33	—	1,431	—	C/E
								1,091,200	6,119,946	0.50 %	
io and Television adcasting											
Media, LLC							233,470	300,322	—	—	C/E

	Warrants to Purchase Common Stock					
taurants						
Holdco, LLC l Mex)	Equity Participation	24	—	—	—	B/C/
Holdco, LLC l Mex)	Membership Units	13,161,000	2,010,777	—	—	B/C/
			2,010,777	—	—	
il						
Holding, LLC nexity)	Class A Units	507,167	480,049	320,682	0.03 %	C/E
Holding, LLC nexity)	Warrants to Purchase Class A Units	326,691	—	8,079	—	C/E
			480,049	328,761	0.03 %	
ware Publishing						
kline rmediate, Inc.	Warrants to Purchase Common Stock	1,232,731	522,678	1,290,175	0.11 %	C/E
entum Ultimate dings, LLC	Class A Common Units	159,515	680,226	680,218	0.05 %	B/C/
ndCloud, Ltd. ted Kingdom)	Warrants to Purchase Preferred Stock	946,498	79,082	75,247	0.01 %	C/E/
data, Inc.	Warrants to Purchase Stock	29,593	216,336	216,337	0.02 %	C/E
			1,498,322	2,261,977	0.19 %	
ed ecommunications riers						
gra Telecom, Inc.	Common Stock	1,274,522	8,433,884	5,269,511	0.43 %	C/E
gra Telecom, Inc.	Warrants	346,939	19,919	221,174	0.02 %	C/E
elecom Investment A. (Vivacom) kembourg)	Common Shares	1,393	3,236,256	3,390,093	0.28 %	C/D/
			11,690,059	8,880,778	0.73 %	
			71,334,905	52,384,338	4.30 %	

al Equity urities		
al Investments	$ 1,231,707,426	$ 1,182,919,725

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

Consolidated Schedule of Investments

December 31, 2015

Issuer	Instrument	Ref	Floor	Spread	Total Coupon	Maturity	Shares	Cost	Fair Value	% of Total Cash and Investments	Notes
Cash and Cash Equivalents											
Cash Denominated in Foreign Currencies									$ 130,081	0.01 %	
Cash Held on Account at Various Institutions									35,499,354	2.91 %	
Cash and Cash Equivalents									35,629,435	2.92 %	
Total Cash and Investments									$ 1,218,549,160	100.00 %	M

Notes to Consolidated Schedule of Investments:

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

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

(C) Non-income producing security.

(D) Investment denominated in foreign currency. Amortized cost and fair value converted from foreign currency to US dollars. Foreign currency denominated investments are generally hedged for currency exposure. At December 31, 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)

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

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

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

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

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

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

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

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

Consolidated Schedule of Investments

December 31, 2015

(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 $500,928,009 and $456,059,137 respectively, for the twelve months ended December 31, 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 December 31, 2015 was $1,182,719,039, or 97.1% of total cash and investments of the Partnership. As of December 31, 2015, approximately 18.0% of the total assets of the Partnership were not qualifying assets under Section 55(a) of the 1940 Act.

Options and swaps at December 31, 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	$ 3,229,442

See accompanying notes to the consolidated financial statements.

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

Consolidated Statements of Operations

	Year Ended December 31,		
	2016	**2015**	**2014**
Investment income			
Interest income:			
Companies less than 5% owned	$ 133,915,069	$ 135,518,703	$ 94,632,495
Companies 5% to 25% owned	6,672,486	5,932,861	5,394,075
Companies more than 25% owned	4,430,859	560,989	896,695
Dividend income:			
Companies 5% to 25% owned	—	—	1,968,748
Lease income:			
Companies 5% to 25% owned	—	—	320,277
Companies more than 25% owned	1,571,280	1,352,797	1,014,053
Other income:			
Companies less than 5% owned	1,442,096	3,349,659	2,328,980
Companies 5% to 25% owned	—	—	26,125
Companies more than 25% owned	148,975	—	—
Total investment income	148,180,765	146,715,009	106,581,448
Operating expenses			
Management and advisory fees	18,881,786	18,593,660	13,646,064
Interest and other debt expenses	15,722,855	12,125,830	6,197,090
Legal fees, professional fees and due diligence expenses	1,840,407	1,175,657	953,284
Administrative expenses	1,693,304	1,600,477	1,421,863
Custody fees	309,573	296,555	225,754
Director fees	283,803	213,411	239,107
Insurance expense	257,949	251,405	192,168
Other operating expenses	2,237,213	1,112,893	557,020
Total operating expenses	41,226,890	35,369,888	23,432,350
Net investment income	106,953,875	111,345,121	83,149,098
Net realized and unrealized gain (loss) on investments and foreign currency			
Net realized gain (loss):			
Investments in companies less than 5% owned	(15,499,336)	(7,077,393)	(16,370,638)
Investments in companies 5% to 25% owned	417,446	(10,613,422)	(4,748,229)
Investments in companies more than 25% owned	79,742	19,167	—
Net realized gain (loss)	(15,002,148)	(17,671,648)	(21,118,867)

Change in net unrealized appreciation/depreciation	15,116,650	(4,733,463)	(6,185,711)
Net realized and unrealized gain (loss)	114,502	(22,405,111)	(27,304,578)
Net increase in net assets from operations	107,068,377	88,940,010	55,844,520
Gain on repurchase of Series A preferred interests	—	1,675,000	—
Dividends on Series A preferred equity facility	—	(1,251,930)	(1,444,634)
Net change in accumulated dividends on Series A preferred equity facility preferred equity facility	—	497,790	6,462
Net increase in net assets applicable to common limited and general partners resulting from operations	$ 107,068,377	$ 89,860,870	$ 54,406,348

See accompanying notes to the consolidated financial statements.

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

Consolidated Statements of Changes in Net Assets

	Year Ended December 31, 2016		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of year	$ 827,455,601	$ 827,455,601	$ —
Contributions from common limited partner	200,870,570	200,870,570	—
Net investment income	106,953,875	87,903,210	19,050,665
Net realized loss	(15,002,148)	(15,002,148)	—
Change in net unrealized appreciation/depreciation	15,116,650	15,116,650	—
Net increase in net assets applicable to common limited and general partners resulting from operations	107,068,377	88,017,712	19,050,665
Distributions to common limited and general partners from:			
Net investment income	(101,805,363)	(82,754,698)	(19,050,665)
Returns of capital	(1,879,548)	(1,879,548)	—
Total distributions to common limited and general partners	(103,684,911)	(84,634,246)	(19,050,665)
Net assets applicable to common limited and general partners, end of period (including accumulated net investment income of $30,290,148 in the account of the Common Limited Partner)	$ 1,031,709,637	$ 1,031,709,637	$ —

	Year Ended December 31, 2015		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of year	$ 833,816,090	$ 833,816,090	$ —
Contributions from common limited partner	2,301,407	2,301,407	—

Net investment income	111,345,121	91,244,559	20,100,562
Net realized loss	(17,671,648)	(17,671,648)	—
Change in net unrealized appreciation/depreciation	(4,733,463)	(4,733,463)	—
Gain on repurchase of Series A preferred interests	1,675,000	1,675,000	—
Dividends paid on preferred equity facility	(1,251,930)	(1,001,544)	(250,386)
Net change in accumulated dividends on preferred equity facility	497,790	398,232	99,558
Net increase in net assets applicable to common limited and general partners resulting from operations	89,860,870	69,911,136	19,949,734
Distributions to common limited and general partners from:			
Net investment income	(98,522,766)	(78,573,032)	(19,949,734)
Net assets applicable to common limited and general partners, end of period (including accumulated net investment income of $25,141,636 in the account of the Common Limited Partner)	$ 827,455,601	$ 827,455,601	$ —

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

Consolidated Statements of Changes in Net Assets

	Year Ended December 31, 2014		
	Total	**Common Limited Partner**	**General Partner**
Net assets applicable to common limited and general partners, beginning of year	$ 552,263,625	$ 551,095,042	$ 1,168,583
Contributions from common limited partner	312,201,570	312,201,570	—
Net investment income	83,149,098	67,690,585	15,458,513
Net realized loss	(21,118,867)	(20,215,019)	(903,848)
Change in net unrealized appreciation/depreciation	(6,185,711)	(5,920,975)	(264,736)
Dividends paid on preferred equity facility	(1,444,634)	(1,155,707)	(288,927)
Net change in accumulated dividends on preferred equity facility	6,462	5,170	1,292
Net increase in net assets applicable to common limited and general partners resulting from operations	54,406,348	40,404,054	14,002,294
Distributions to common limited and general partners from:			
Net investment income	(85,055,453)	(69,884,576)	(15,170,877)
Net assets applicable to common limited and general partners, end of period (including accumulated net investment income of $22,994,510 in the account of the Common Limited Partner)	$ 833,816,090	$ 833,816,090	$ —

See accompanying notes to the consolidated financial statements.

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

Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2016	**2015**	**2014**
Operating activities			
Net increase in net assets applicable to common limited and general partners from operations	$ 107,068,377	$ 89,860,870	$ 54,406,348
Adjustments to reconcile net increase in net assets applicable to common shareholders resulting from operations to net cash provided by (used in) operating activities:			
Net realized loss	15,002,148	17,671,648	21,118,867
Change in net unrealized appreciation/depreciation of investments	(14,514,060)	4,329,371	6,085,664
Gain on repurchase of Series A preferred interests	—	(1,675,000)	—
Dividends paid on Series A preferred equity facility	—	1,251,930	1,444,634
Net change in accumulated dividends on Series A preferred equity facility	—	(497,790)	(6,462)
Net amortization of investment discounts and premiums	(15,547,174)	(15,027,321)	(6,005,957)
Interest and dividend income paid in kind	(6,381,145)	(6,810,980)	(6,045,878)
Amortization of deferred debt issuance costs	1,872,826	1,549,655	1,553,553
Changes in assets and liabilities:			
Purchases of investment securities	(580,837,984)	(494,117,029)	(663,469,748)
Proceeds from sales, maturities and pay downs of investments	473,457,512	456,059,137	266,008,974
Decrease (increase) in accrued interest income - companies less than 5% owned	(3,870,497)	379,473	(2,939,648)
Decrease (increase) in accrued interest income - companies 5% to 25% owned	(212,255)	(487,319)	161,074
Decrease (increase) in accrued interest income - companies more than 25% owned	3,622	(780)	13,241
Decrease (increase) in receivable for investments sold	—	10,961,369	(7,355,405)
Decrease (increase) in prepaid expenses and other assets	890,852	(46,606)	(1,277,250)
Increase (decrease) in payable for investments purchased	5,923,511	4,375,896	(12,657,424)
Increase in interest payable	52,039	1,400,277	832,095

Increase (decrease) in payable to the Advisor	65,030	(68,100)	41,489
Increase (decrease) in payable to parent	—	(1,031,498)	499,781
Increase (decrease) in accrued expenses and other liabilities	(725,906)	7,577	417,582
Net cash provided by (used in) operating activities	(17,753,104)	68,084,780	(347,174,470)
Financing activities			
Borrowings	538,700,000	511,300,000	563,500,000
Repayments of debt	(598,500,000)	(338,000,000)	(435,500,000)
Payments of debt issuance costs	(1,191,350)	(4,130,414)	(3,226,543)
Repurchase of Series A preferred interests	—	(132,325,000)	—
Dividends paid on Series A preferred equity facility	—	(1,251,930)	(1,444,634)
Dividends paid to common limited partner	(84,634,246)	(78,573,032)	(69,884,576)
Distributions of incentive allocation to the General Partner	(19,541,437)	(19,045,170)	(14,186,737)
Contributions from the common limited partner	200,870,570	2,301,407	312,201,570
Net cash provided by (used in) financing activities	35,703,537	(59,724,139)	351,459,080
Net increase in cash and cash equivalents	17,950,433	8,360,641	4,284,610
Cash and cash equivalents at beginning of year	35,629,435	27,268,792	22,984,182
Cash and cash equivalents at end of year	$ 53,579,868	$ 35,629,433	$ 27,268,792
Supplemental cash flow information			
Interest payments	$ 12,508,660	$ 8,020,802	$ 2,925,946

See accompanying notes to the consolidated financial statements.

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

Notes to Consolidated Financial Statements

December 31, 2016

1. Organization and Nature of Operations

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

Investment operations are conducted either directly in the Partnership or in one of the Partnership s wholly owned subsidiaries, TCPC Funding I, LLC, a Delaware limited liability company (TCPC Funding), and TCPC SBIC, LP, a Delaware limited partnership (the SBIC). The SBIC was organized in June 2013, and, on April 22, 2014, received a license from the United States Small Business Administration (the SBA) to operate as a small business investment company under the provisions of Section 301(c) of the Small Business Investment Act of 1958. The Partnership, TCPC Funding, and the SBIC invest primarily in the debt of middle-market companies, including senior secured loans, junior loans, mezzanine debt and bonds. Such investments may include an equity component, and, to a lesser extent, the Partnership, TCPC Funding, and the SBIC may make equity investments directly. The Partnership, TCPC Funding, and the SBIC have elected to be treated as partnerships for U.S. federal income tax purposes. TCP Capital Corp. (TCPC) owns the entire common limited partner interest in the Partnership. TCPC has also elected to be treated as a business development company under the 1940 Act.

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

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

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Reclassifications

Certain prior period amounts in the Consolidated Statements of Assets and Liabilities relating to deferred debt issuance costs were reclassified to debt to conform to the current period presentation resulting from the adoption of two Accounting Standards Updates (see Recent Accounting Pronouncements). Certain prior period amounts in the Consolidated Statements of Operations relating to interest expense, amortization of deferred debt issuance costs and commitment fees have been reclassified into interest and other debt expenses to conform to the current period presentation.

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well the reported amounts of revenues and expenses during the reporting periods presented. Although management believes these estimates and assumptions to be reasonable, actual results could differ from those estimates and such differences could be material.

Investment Valuation

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

All investments are valued at least quarterly based on quotations or other affirmative pricing from independent third-party sources, with the exception of investments priced directly by the Advisor which in the aggregate comprise less than 5% of the capitalization of the Partnership. Investments listed on a recognized exchange or market quotation system, whether U.S. or foreign, are valued using the closing price on the date of valuation.

Investments not listed on a recognized exchange or market quotation system, but for which reliable market quotations are readily available are valued using prices provided by a nationally recognized pricing service or by using quotations from broker-dealers.

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

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

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

Fair valuations of investments in each asset class are determined using one or more methodologies including the market approach, income approach, or, in the case of recent investments, the cost approach, as appropriate. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. Such information may include observed multiples of earnings and/or revenues at

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

which transactions in securities of comparable companies occur, with appropriate adjustments for differences in company size, operations or other factors affecting comparability.

The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present value amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. The discount rates used for such analyses reflect market yields for comparable investments, considering such factors as relative credit quality, capital structure, and other factors.

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

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

At December 31, 2016, the Partnership s investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	$ —	$ —	$ —
2	Other direct and indirect observable market inputs *	89,800,173	21,001,126	—
3	Independent third-party valuation sources that employ significant unobservable inputs	1,036,044,457	101,934,853	64,521,901
3	Advisor valuations with significant unobservable inputs	107,199	—	1,560,161
Total		$ 1,125,951,829	$ 122,935,979	$ 66,082,062

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2016 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)

Bank Debt	$ 847,311,244	Income approach	Discount rate	6.9% – 19.4% (12.1%)
	136,116,277	Market quotations	Indicative bid/ask quotes	1 – 2 (1)
	24,851,412	Market comparable companies	Revenue multiples	0.4x – 2.6x (1.0x)
	27,872,723	Market comparable companies	EBITDA multiples	7.3x – 11.0x (8.4x)
Other Corporate Debt	88,163,213	Market quotations	Indicative bid/ask quotes	1 (1)
	13,771,640	Market comparable companies	EBITDA multiples	7.6x – 7.8x (7.7x)
Equity	6,617,084	Income approach	Discount rate	7.3% – 26.2% (7.7%)
	41,442,919	Market quotations	Indicative bid/ask quotes	1(1)
	1,767,102	Market comparable companies	Revenue multiples	0.3x – 2.6x (1.6x)
	16,254,957	Market comparable companies	EBITDA multiples	5.0x – 11.0x (7.7x)
	$ 1,204,168,571			

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

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

Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
Discount rate	Decrease	Increase
Revenue multiples	Increase	Decrease
EBITDA multiples	Increase	Decrease

Changes in investments categorized as Level 3 during the year ended December 31, 2016 were as follows:

	Independent Third-Party Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 907,967,337	$ 89,314,530	$ 49,956,123
Net realized and unrealized gains (losses)	5,606,311	(4,283,483)	(4,803,878)
Acquisitions *	479,811,414	30,687,836	30,306,611
Dispositions	(382,143,047)	—	(10,611,212)
Transfers out of Level 3 †	(26,300,274)	(46,265,760)	—
Transfers into Level 3 ‡	51,102,716	32,481,730	—
Reclassifications within Level 3 §	—	—	(325,743)
Ending balance	$ 1,036,044,457	$ 101,934,853	$ 64,521,901
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)	$ 10,308,166	$ (4,283,483)	$ (4,684,951)

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

	Advisor Valuation		
	Bank Debt	Other Corporate Debt	Equity Securities
Beginning balance	$ 1,124,504	$ —	$ 2,428,217
Net realized and unrealized gains (losses)	(965,608)	—	(776,175)
Acquisitions *	1,050,297	—	192
Dispositions	(1,101,994)	—	(417,816)

Reclassifications within Level 3 †	—	—	325,743
Ending balance	$ 107,199	$ —	$ 1,560,161
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)	$ (923,543)	$ —	$ (1,192,560)

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

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

There were no transfers between Level 1 and 2 during the year ended December 31, 2016.

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

At December 31, 2015, the Partnership s investments were categorized as follows:

Level	Basis for Determining Fair Value	Bank Debt	Other Corporate Debt	Equity Securities
1	Quoted prices in active markets for identical assets	$ —	$ —	$ —
2	Other direct and indirect observable market inputs *	92,311,257	39,817,757	—
3	Independent third-party valuation sources that employ significant unobservable inputs	907,967,337	89,314,530	49,956,123
3	Advisor valuations with significant unobservable inputs	1,124,504	—	2,428,217
Total		$ 1,001,403,098	$ 129,132,287	$ 52,384,340

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

Unobservable inputs used in the fair value measurement of Level 3 investments as of December 31, 2015 included the following:

Asset Type	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Avg.)
Bank Debt	$ 715,701,737	Income approach	Discount rate	4.2% – 18.9% (11.8%)
	140,033,088	Market quotations	Indicative bid/ask quotes	1 – 5(1)
	36,550,712	Market comparable companies	Revenue multiples	0.3x – 4.5x(2.2x)
	16,806,304	Market comparable companies	EBITDA multiples	3.3x – 11.5x(7.8x)
Other Corporate Debt	80,046,530	Market quotations	Indicative bid/ask quotes	1(1)
	9,268,000	Market comparable companies	EBITDA multiples	7.3x(7.3x)
Equity	7,908,649	Income approach	Discount rate	5.9% – 26.2% (8.0%)
	15,827,563	Market quotations	Indicative bid/ask quotes	1 – 2(1)
	3,212,249		Revenue multiples	0.3x – 6.0x(3.2x)

	Market comparable companies		
25,435,879	Market comparable companies	EBITDA multiples	4.4x – 11.5x(6.8x)
$ 1,050,790,711			

Changes in investments categorized as Level 3 during the year ended December 31, 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)	(28,968,245)	(791,712	15,282,086
Acquisitions *	531,073,121	1,200,149	15,292,847
Dispositions	(412,262,543)	(7,263,190)	(11,236,952)
Transfers out of Level 3 †	(36,143,175)	(16,311,094)	—
Transfers into Level 3 ‡	13,730,000	51,247,224	—
Reclassifications within Level 3 §	—	4,611,178	—
Ending balance	$ 907,967,337	$ 89,314,530	$ 49,956,123
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)	$ (22,211,825)	$ (683,384)	$ 9,375,525

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

† 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

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

	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	—	104,805
Acquisitions *	1,725,244	—	—
Dispositions	(735,185)	—	(1,217)
Reclassifications within Level 3 †	—	(4,611,178)	—
Ending balance	$ 1,124,504	$ —	$ 2,428,217
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	$ —	$ 333,095

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

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

There were no transfers between Level 1 and 2 during the year ended December 31, 2015.

Investment Transactions

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

Cash and Cash Equivalents

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

Restricted Investments

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

Foreign Investments

The Partnership may invest in instruments traded in foreign countries and denominated in foreign currencies. Foreign currency denominated investments comprised approximately 0.2% and 1.4% of total investments at December 31, 2016 and December 31, 2015, respectively. Such positions were converted at the respective closing foreign exchange rates in effect at December 31, 2016 and December 31, 2015 and reported in U.S. dollars. Purchases and sales of investments and income and expense items denominated in foreign currencies,

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

when they occur, are translated into U.S. dollars based on the foreign exchange rates in effect on the respective dates of such transactions. The portion of gains and losses on foreign investments resulting from fluctuations in foreign currencies is included in net realized and unrealized gain or loss from investments.

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

Derivatives

In order to mitigate certain currency exchange and interest rate risks, the Partnership may enter into certain derivative transactions. All derivatives are reported at their gross amounts as either assets or liabilities in the Consolidated Statements of Assets and Liabilities. Transactions entered into are accounted for using the mark-to-market method with the resulting change in fair value recognized in earnings for the current period. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in interest rates and the value of foreign currencies relative to the U.S. dollar. Certain derivatives may also require the Partnership to pledge assets as collateral to secure its obligations. As of December 31, 2016, no derivatives were outstanding.

During the year ended December 31, 2016, the Partnership entered into and exited a GBP put option with a notional amount of £2.7 million. During the year ended December 31, 2016, the Partnership s interest rate cap with a notional amount of $25.0 million expired, and the Partnership exited a cross currency basis swap with a notional amount of $16.4 million. The interest rate cap was reported in the Consolidated Statements of Assets and Liabilities under the caption, Options. Gains and losses from derivatives during the year ended December 31, 2016 were included in net realized and unrealized gain (loss) on investments in the Consolidated Statements of Operations as follows:

Instrument	**Realized Gains (Losses)**	**Unrealized Gains (Losses)**
Put option	$ —	$ —
Cross currency basis swap	2,746,072	(3,229,442)
Interest rate cap	(51,750)	51,750

The Partnership did not enter into any new derivative transactions during the year ended December 31, 2015. At December 31, 2015, the Partnership held an interest rate cap with a notional amount of $25.0 million and a cross currency basis swap with a notional amount of $16.4 million. The interest rate cap and the cross currency basis swap are reported in the Consolidated Statements of Assets and Liabilities as options and unrealized appreciation on swaps, respectively. Gains and losses from derivatives during the year ended December 31, 2015 were included in net realized and unrealized gain (loss) on investments in the Consolidated Statements of Operations as follows:

Instrument	**Realized Gains (Losses)**	**Unrealized Gains (Losses)**
Cross currency basis swap	$ —	$ 1,511,832
Interest rate cap	—	(497)

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Valuations of derivatives held at December 31, 2015 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.

Deferred Debt Issuance Costs

Costs of approximately $1.8 million were incurred during 2015 in connection with the extension of the Partnership s credit facility (see Note 4). Costs of approximately $1.9 million were incurred during 2015 in connection with placing and extending TCPC Funding s revolving credit facility (see Note 4). Costs of approximately $1.2 million and $0.4 million were incurred during the year ended December 31, 2016 and year ended December 31, 2015, respectively, in connection with placing the SBA Debentures (see Note 4). These costs were deferred and are being amortized on a straight-line basis over the estimated life of the respective instruments. The impact of utilizing the straight-line amortization method versus the effective-interest method is not material to the operations of the Partnership.

Revenue Recognition

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

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

Income Taxes

The income or loss of the Partnership, TCPC Funding and the SBIC is reported in the respective partners income tax returns. Consequently, no income taxes are paid at the partnership level or reflected in the Partnership s financial statements. In accordance with ASC Topic 740 – *Income Taxes*, the Partnership recognizes in its consolidated financial statements the effect of a tax position when it is determined that such position is more likely than not, based on the technical merits, to be sustained upon examination. As of December 31, 2016, all tax years of the Partnership, TCPC Funding and the SBIC since January 1, 2013 remain subject to examination by federal tax authorities. No such examinations are currently pending.

Cost and unrealized appreciation and depreciation of the Partnership s investments (including derivatives) for U.S. federal income tax purposes at December 31, 2016 and December 31, 2015 were as follows:

	December 31, 2016	December 31, 2015
Unrealized appreciation	$ 33,945,996	$ 30,920,149
Unrealized depreciation	(65,041,945)	(79,759,600)
Net unrealized depreciation	$ (31,095,949)	$ (48,839,451)
Cost	$ 1,346,065,819	$ 1,231,759,176

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

2. Summary of Significant Accounting Policies – (continued)

Recent Accounting Pronouncements

During the first quarter of 2016, the Partnership adopted Financial Accounting Standards Board (the FASB) Accounting Standards Update (ASU) 2015-02, *Amendments to the Consolidation Analysis*. In particular, the new pronouncement changed the manner in which a reporting entity evaluates whether 1) an entity is a variable interest entity (VIE), 2) fees paid to decision makers or service providers are variable interests in a VIE, and 3) variable interests in a VIE held by related parties require the reporting entity to consolidate the VIE. The pronouncement also introduced a separate consolidation analysis specific to limited partnerships and similar entities. ASU 2015-02 also eliminated the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. The adoption of this pronouncement did not have a material impact on the Partnership s consolidated financial statements.

The Partnership also adopted ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) - Simplifying the Presentation of Debt Issuance Costs* as well as ASU 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements – Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015*. Together, these ASUs required, in most cases, that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount. Debt issuance costs incurred in connection with line-of-credit arrangements, however, may continue to be presented as an asset in the balance sheet. The adoption of these ASUs resulted in the reclassification of certain debt issuance costs related to the Term Loan and SBA Debentures (as defined in Note 4) from deferred debt issuance costs to debt in the Consolidated Statements of Assets and Liabilities. As of December 31, 2016 and December 31, 2015, $2.7 million and $1.8 million in debt issuance costs, respectively, were included in debt in the Consolidated Statements of Assets and Liabilities.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*. Under this new pronouncement, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all entities and, for public entities, is effective for annual periods beginning after December 15, 2017, and interim periods within those fiscal years. Early application is permitted, but no earlier than annual periods beginning after December 15, 2016 and interim periods within that reporting period. The Partnership does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

On January 5, 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities.* The more significant changes to the current GAAP model resulting from ASU 2016-01 include 1) elimination of the requirement to disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost, 2) requiring public entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes and 3) requiring separate presentation of financial assets and financial liabilities by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the financial statements. ASU 2016-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The Partnership does not expect adoption of this pronouncement to have a material impact on its consolidated financial statements.

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

December 31, 2016

3. Management Fees, Incentive Compensation and Other Expenses

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

Incentive compensation is only paid to the extent that TCPC s total performance exceeds a cumulative 8% annual return since January 1, 2013 (the Total Return Hurdle). The incentive compensation equals 20% of net investment income (reduced by preferred dividends) and 20% of net realized gains (reduced by any net unrealized losses), subject to the Total Return Hurdle. The incentive compensation is payable quarterly in arrears as an allocation and distribution to the General Partner and is calculated as the difference between cumulative incentive compensation earned since January 1, 2013 and cumulative incentive compensation paid since January 1, 2013. A reserve for incentive compensation is allocated to the account of the General Partner based on the amount of additional incentive compensation that would have been distributable to the General Partner assuming a hypothetical liquidation of TCPC and the Partnership at net asset value on the balance sheet date. The General Partner s equity interest in the Partnership is comprised entirely of such reserve amount, if any. As of December 31, 2016 and December 31, 2015, no such reserve was allocated.

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

4. Leverage

Leverage is comprised of amounts outstanding under a term loan issued by the Partnership (the Term Loan), amounts outstanding under a senior secured revolving credit facility issued by the Partnership (the SVCP Revolver and together with the Term Loan, the SVCP Facility), amounts outstanding under a senior secured revolving credit facility issued by TCPC Funding (the TCPC Funding Facility), debentures guaranteed by the SBA (the SBA Debentures), and, prior to the repurchase and retirement of remaining interests on September 3, 2015, amounts outstanding under a preferred equity facility issued by the Partnership (the Preferred Interests).

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

	Maturity	Rate	Carrying Value	Available	Total Capacity
SVCP Facility					
SVCP Revolver	2018	L+2.50 %*	$ —	$ 116,000,000	$ 116,000,000
Term Loan	2018	L+2.50 %*	100,500,000	—	100,500,000
TCPC Funding Facility	2020	L+2.50 %†	175,000,000	175,000,000	350,000,000

SBA Debentures	2024-2026	2.58 %‡	61,000,000	89,000,000	150,000,000
Total leverage			336,500,000	$ 380,000,000	$ 716,500,000
Unamortized issuance costs			(2,712,574)		
Debt, net of unamortized issuance costs			$ 333,787,426		

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

† Or L+2.25% subject to certain funding requirements

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

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

Total leverage outstanding and available at December 31, 2015 was as follows:

	Maturity	Rate	Carrying Value	Available	Total Capacity
SVCP Facility					
SVCP Revolver	2018	L+1.75 %*	$ 24,000,000	$ 92,000,000	$ 116,000,000
Term Loan	2018	L+1.75 %*	100,500,000	—	100,500,000
TCPC Funding Facility	2020	L+2.50 %†	229,000,000	121,000,000	350,000,000
SBA Debentures	2024-2025	2.81 %‡	42,800,000	32,200,000	75,000,000
Total leverage			396,300,000	$ 245,200,000	$ 641,500,000
Unamortized issuance costs			(1,832,593)		
Debt, net of unamortized issuance costs			$ 394,467,407		

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

† Or L+2.25% subject to certain funding requirements

‡ Weighted-average interest rate on pooled loans of $38.8 million, excluding fees of 0.36%. As of December 31, 2015, the remaining $4.0 million of the outstanding amount was not yet pooled, and bore interest at a temporary rate of 0.90% plus fees of 0.36% through March 22, 2016, the date of the next SBA pooling.

The combined weighted-average interest rates on total leverage outstanding at December 31, 2016 and December 31, 2015 were 3.23% and 2.65%, respectively.

Total expenses related to debt include:

	Year Ended December 31,		
	2016	2015	2014
Interest expense	$ 12,560,699	$ 9,421,079	$ 3,758,041
Amortization of deferred debt issuance costs	1,872,826	1,549,655	1,553,553
Commitment fees	1,289,330	1,155,096	885,496
Total	$ 15,722,855	$ 12,125,830	$ 6,197,090

Amounts outstanding under the SVCP Facility, the TCPC Funding Facility and the SBA Debentures are carried at amortized cost in the Consolidated Statements of Assets and Liabilities. As of December 31, 2016, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures approximated their carrying values. The estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures are determined by discounting projected remaining payments using market interest rates for borrowings of the Partnership and entities with similar credit risks at the measurement date. At December 31, 2016, the estimated fair values of the SVCP Facility, the TCPC Funding Facility and the SBA Debentures as prepared for disclosure purposes were deemed to be Level 3 in the GAAP valuation hierarchy.

SVCP Facility

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

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

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December 31, 2016

4. Leverage – (continued)

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

SBA Debentures

As of December 31, 2016 the SBIC was able to issue up to $150.0 million in SBA Debentures, subject to funded regulatory capital and other customary regulatory requirements. As of December 31, 2016, the Partnership had committed $75.0 million of regulatory capital to the SBIC, all of which had been funded. SBA Debentures are non-recourse and may be prepaid at any time without penalty. Once drawn, the SBIC debentures bear an interim interest rate of LIBOR plus 30 basis points. The rate then becomes fixed at the time of SBA pooling, which occurs twice each year, and is set to the then-current 10-year treasury rate plus a spread and an annual SBA charge.

SBA Debentures outstanding as of December 31, 2016 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge
September 24, 2014	September 1, 2024	$ 18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
March 23, 2016	March 1, 2026	4,000,000	2.51 %	0.36 %
September 21, 2016	September 1, 2026	18,200,000	2.05 %	0.36 %
		$ 61,000,000	2.58 %*	

* Weighted-average interest rate

SBA Debentures outstanding as of December 31, 2015 were as follows:

Issuance Date	Maturity	Debenture Amount	Fixed Interest Rate	SBA Annual Charge

Pooled loans:				
September 24, 2014	September 1, 2024	$ 18,500,000	3.02 %	0.36 %
March 25, 2015	March 1, 2025	9,500,000	2.52 %	0.36 %
September 23, 2015	September 1, 2025	10,800,000	2.83 %	0.36 %
		38,800,000	2.84 %*	
Non-pooled loans:				
December 15, 2015	March 22, 2026	4,000,000	0.90 %	0.36 %
		$ 42,800,000		

* Weighted-average interest rate on pooled loans

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

4. Leverage – (continued)

TCPC Funding Facility

The TCPC Funding Facility is a senior secured revolving credit facility which provides for amounts to be drawn up to $350.0 million, subject to certain collateral and other restrictions. The facility matures on 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 $400.0 million subject to consent from the lender and other customary conditions. The cash and investments of TCPC Funding are included in the collateral for the facility.

Borrowings under the TCPC Funding Facility bear interest at a rate of LIBOR plus either 2.25% or 2.50% per annum, subject to certain funding requirements, plus an administrative fee of 0.25% per annum. In addition to amounts due on outstanding debt, the facility accrues commitment fees of 0.50% per annum on the unused portion of the facility, or 0.75% per annum when the unused portion is greater than 33% of the total facility, plus an administrative fee of 0.25% per annum. The facility may be terminated, and any outstanding amounts thereunder may become due and payable, should TCPC Funding fail to satisfy certain financial or other covenants. As of December 31, 2016, TCPC Funding was in full compliance with such covenants.

Preferred Interests

As of December 31, 2016 and 2015, no Preferred Interests were outstanding. On June 30, 2015, the Partnership repurchased and retired 1,675 of the previously outstanding 6,700 Preferred Interests at a price of $31.8 million. On September 3, 2015, the Partnership repurchased and retired the remaining 5,025 Preferred Interests outstanding at a price of $100.5 million.

When issued, 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).

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

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

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

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

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

The Consolidated Schedules of Investments include certain revolving loan facilities and other commitments with unfunded balances at December 31, 2016 and December 31, 2015 as follow:

		Unfunded Balances	
Issuer	**Maturity**	**December 31, 2016**	**December 31, 2015**
Alera Group Intermediate Holdings, Inc.	12/30/2021	$ 833,333	$ N/A
Alera Group Intermediate Holdings, Inc.	12/30/2022	759,547	N/A
Alpheus Communications, LLC	5/31/2018	357,419	1,072,256
AP Gaming I, LLC	12/20/2018	12,500,000	12,500,000
Acrisure, LLC	11/19/2022	N/A	1,351,596
Anuvia Plant Nutrients Holdings, LLC (VitAG)	2/1/2018	N/A	4,300,000
Asset International, Inc.	7/31/2020	1,325,721	565,544
Auto Trakk SPV, LLC	12/21/2021	3,827,058	N/A
Bisnow, LLC	4/29/2021	1,200,000	N/A
Caliber Home Loans, Inc.	6/30/2020	6,666,667	N/A
Cargojet Airways, LTD.	1/31/2023	N/A	14,457,306
Central MN Renewables, LLC	1/16/2016	N/A	2,100,000
Daymark Financial Acceptance, LLC	1/12/2020	N/A	20,000,000
Edmentum, Inc.	6/9/2020	3,368,586	3,368,586
Enerwise Global Technologies, Inc.	11/30/2017	4,000,000	7,500,000
Essex Ocean, LLC	3/25/2019	N/A	22,008,557
Fidelis Acquisitionco, LLC	11/4/2019	N/A	1,909,286
Hylan Datacom & Electrical, LLC	7/25/2016	1,247,989	N/A
iGM RFE1 B.V.	10/12/2021	855,935	N/A
InMobi, Inc.	9/1/2018	7,500,000	9,354,959
Marketo, Inc.	8/16/2016	1,704,545	N/A
MediMedia USA, Inc.	5/20/2018	N/A	4,293,500
Mesa Air Group, Inc.	7/15/2022	N/A	13,575,000
Mesa Airlines, Inc.	2/28/2022	9,268,182	N/A
Mesa Airlines, Inc.	12/31/2022	9,731,591	N/A
Pegasus Business Intelligence, LP (Onyx Centersource)	12/20/2021	671,356	N/A

Redaptive, Inc.	7/1/2018	N/A	15,000,000
RM OpCo, LLC (Real Mex)	3/30/2018	N/A	440,774
Utilidata, Inc.	1/1/2019	N/A	4,800,000
Vistronix, LLC	12/4/2018	N/A	205,558
VSS-Southern Holdings, LLC	11/3/2020	856,164	N/A
Waterfall International, Inc.	9/1/2018	N/A	3,200,000
Total Unfunded Balances		$ 66,674,093	$ 142,002,922

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

6. Related Party Transactions

TCPC, the Partnership, TCPC Funding, the SBIC, the Advisor, the General Partner and their members and affiliates may be considered related parties. From time to time, the Partnership advances payments to third parties on behalf of TCPC which are reimbursable through deductions from distributions to TCPC. At December 31, 2016 and December 31, 2015, no such amounts were outstanding. From time to time, the Advisor advances payments to third parties on behalf of the Partnership and receives reimbursement from the Partnership. At December 31, 2016 and 2015, amounts reimbursable to the Advisor totaled $0.3 million and $0.3 million, respectively, as reflected in the Consolidated Statements of Assets and Liabilities.

Pursuant to an administration agreement between the Administrator and the Partnership (the Administration Agreement), the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to the Partnership, as well as costs and expenses incurred by the Administrator or its affiliates relating to any administrative, operating, or other non-investment advisory services provided by the Administrator or its affiliates to the Partnership. For the years ended December 31, 2016, 2015 and 2014, expenses allocated pursuant to the Administration Agreement totaled $1.7 million, $1.6 million and $1.4 million, respectively.

On November 25, 2014, the Partnership obtained an exemptive order (the Exemptive Order) from the Securities and Exchange Commission permitting the Partnership to purchase certain investments from affiliated investment companies at fair value. The Exemptive Order exempts 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 years ended December 31, 2016 and 2015, the Partnership purchased approximately $0.0 million and $94.5 million, respectively, 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. 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. Distributions

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

8. Subsequent Events

On February 28, 2017, TCPC s board of directors declared a first quarter regular dividend of $0.36 per share payable on March 31, 2017 to stockholders of record as of the close of business on March 17, 2017.

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

Notes to Consolidated Financial Statements (Continued)

December 31, 2016

9. Financial Highlights

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

	Year Ended December 31,				
	2016	***2015***	***2014***	***2013***	***2012***
Return on invested assets [1]	12.5 %	9.4 %	9.7 %	13.6 %	9.0 %
Gross return to common limited partner	12.4 %	10.9 %	9.4 %	17.8 %	9.8 %
Less: General Partner profit allocation	(2.5 %)	(2.2 %)	(1.9 %)	(3.6 %)	—
Return to common limited partner [2]	9.9 %	8.7 %	7.5 %	14.2 %	9.8 %
Ratios to average common equity: [3]					
Net investment income [4]	9.7 %	13.2 %	10.2 %	11.5 %	14.3 %
Expenses	4.5 %	4.2 %	3.5 %	3.4 %	3.3 %
Expenses and General Partner allocation	6.6 %	6.6 %	5.6 %	6.5 %	3.3 %
Ending net assets attributable to common limited partner	$ 1,031,709,637	$ 827,455,601	$ 833,816,090	$ 552,263,625	$ 317,209,574
Portfolio turnover rate	37.9 %	37.8 %	28.4 %	38.9 %	48.3 %
Weighted-average leverage outstanding [5]	$ 388,295,628	$ 407,622,740	$ 290,547,945	$ 222,471,233	$ 159,374,317
	3.2 %	2.5 %	1.8 %	1.2 %	1.1 %

Weighted-average interest rate on leverage (6)

	December 31,				
Asset Coverage:	***2016***	***2015***	***2014***	***2013***	***2012***
Series A Preferred Equity Facility:					
Interests outstanding	—	—	6,700	6,700	6,700
Involuntary liquidation value per interest	N/A	N/A	$ 20,074	$ 20,075	$ 20,079
Asset coverage per interest	N/A	N/A	$ 66,659	$ 68,255	$ 50,593
Revolving Facilities:					
Debt outstanding (7)	$ 336,500,000	$ 396,300,000	$ 223,000,000	$ 95,000,000	$ 74,000,000
Asset coverage per $1,000 of debt outstanding	$ 4,033	$ 3,067	$ 5,312	$ 8,192	$ 7,093

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

(2) Returns (net of dividends on the preferred equity facility, allocations to the General Partner, and Partnership expenses, including financing costs and management fees) calculated on a monthly geometrically linked, time-weighted basis.

(3) These ratios include interest expense but do not reflect the effect of dividends on the preferred equity facility.

(4) Net of allocation to the General Partner.

(5) Includes both debt and preferred leverage.

(6) Includes dividends on the preferred leverage facility.

(7) Excludes unamortized debt issuance costs which are netted in the Consolidated Statements of Assets and Liabilities.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2016

10. Select Quarterly Data (Unaudited)

	2016			
	Q4	*Q3*	*Q2*	*Q1*
Total investment income	$ 39,527,322	$ 38,468,990	$ 35,595,171	$ 34,589,282
Net investment income	27,593,507	28,505,118	25,920,337	24,934,913
Net realized and unrealized gain	4,053,638	208,756	2,675,361	(6,823,253)
Net increase in net assets resulting from operations	$ 31,647,145	$ 28,713,874	$ 28,595,698	$ 18,111,660

	2015			
	Q4	*Q3*	*Q2*	*Q1*
Total investment income	$ 39,616,004	$ 35,345,832	$ 38,937,820	$ 32,815,353
Net investment income	29,580,153	26,532,610	30,215,214	25,017,144
Net realized and unrealized gain	(18,739,472)	(1,886,201)	(2,214,992)	435,554
Gain on repurchase of Series A preferred interests	—	—	1,675,000	—
Preferred dividends	—	(62,294)	(349,907)	(341,939)
Net increase in net assets resulting from operations	$ 10,840,681	$ 24,584,115	$ 29,325,315	$ 25,110,759

	2014			
	Q4	*Q3*	*Q2*	*Q1*
Total investment income	$ 32,135,038	$ 27,190,466	$ 24,587,300	$ 22,668,644
Net investment income	24,664,904	21,132,932	19,123,094	18,228,168
Net realized and unrealized gain	(24,967,480)	(4,505,178)	(3,011,938)	5,180,018
Preferred dividends	(360,303)	(362,169)	(357,060)	(358,640)
Net increase in net assets resulting from operations	$ (662,879)	$ 16,265,585	$ 15,754,096	$ 23,049,546

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

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

Year Ended December 31, 2016

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

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

N918DL Equipment Trust Beneficial Interests					
N954DL Equipment Trust Beneficial Interests	8,743	77,850	17,496	(95,346)	—
N955DL Equipment Trust Beneficial Interests	8,278	108,100	2,433	(110,533)	—
N956DL Equipment Trust Beneficial Interests	8,362	104,478	2,571	(107,049)	—
N957DL Equipment Trust Beneficial Interests	8,249	105,329	2,637	(107,966)	—
N959DL Equipment Trust Beneficial Interests	8,139	106,203	2,702	(108,905)	—
N960DL Equipment Trust Beneficial Interests	7,785	105,937	3,088	(109,025)	—

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

Notes to Consolidated Schedule of Changes in Investments in Affiliates:

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

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

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

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

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

Consolidated Schedule of Changes in Investments in Affiliates(1)

Year Ended December 31, 2015

Security	Dividends or Interest (2)	Fair Value at December 31, 2014	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2015
36th Street Capital Partners Holdings, LLC, Membership Units	$ 15,600	$ —	$ 225,000	$ —	$ 225,000
36th Street Capital Partners Holdings, LLC, Subordinated Promissory Note, 12%, due 11/1/20	—	—	900,000	—	900,000
AGY Holding Corp., Senior Secured 2nd Lien Notes, 11%, due 11/15/16	1,019,480	9,017,764	250,236	—	9,268,000
AGY Holding Corp., Senior Secured Term Loan, 12%, due 9/15/16	592,466	4,869,577	—	—	4,869,577
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	715,131	—	12,054,264	(710,774)	11,343,490
Edmentum Ultimate Holdings, LLC, Senior PIK Notes, 8.5%, due 6/9/20	124,828	—	2,612,408	—	2,612,408
Edmentum, Inc., Junior Revolving Facility, 5%, due 6/9/20	22,329	—	2,105,366	(2,105,366)	—
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	—	—	200,686	—	200,686
Globecomm Systems Inc., Senior Secured 1st Lien Term Loan, LIBOR + 7.625%, 1.25% LIBOR Floor, due 12/11/18	1,330,125	14,656,950	121,560	(522,277)	14,256,233

KAGY Holding Company, Inc., Series A Preferred Stock	—	121,975	5,996,540	—	6,118,515
N659UA Aircraft Secured Mortgage, 12%, due 2/28/16	120,307	1,659,003	—	(1,340,023)	318,980
N661UA Aircraft Secured Mortgage, 12%, due 5/4/16	137,289	1,899,950	—	(1,329,647)	570,303
N913DL Aircraft Secured Mortgage, 8%, due 3/15/17	12,800	209,168	—	(93,551)	115,617
N918DL Aircraft Secured Mortgage, 8%, due 8/15/18	21,901	320,440	—	(82,946)	237,494
N954DL Aircraft Secured Mortgage, 8%, due 3/20/19	30,753	437,679	315	(95,260)	342,734
N955DL Aircraft Secured Mortgage, 8%, due 6/20/19	32,662	460,258	539	(91,635)	369,162
N956DL Aircraft Secured Mortgage, 8%, due 5/20/19	32,415	457,902	479	(93,184)	365,197
N957DL Aircraft Secured Mortgage, 8%, due 6/20/19	32,947	464,283	544	(92,435)	372,392
N959DL Aircraft Secured Mortgage, 8%, due 7/20/19	33,476	470,601	612	(91,691)	379,522
N960DL Aircraft Secured Mortgage, 8%, due 10/20/19	35,326	493,258	831	(90,220)	403,869
N961DL Aircraft Secured Mortgage, 8%, due 8/20/19	34,574	484,908	694	(92,487)	393,115
N976DL Aircraft Secured Mortgage, 8%, due 2/15/18	20,940	314,588	—	(96,267)	218,321
N913DL Equipment Trust Beneficial Interests	25,444	117,497	90,909	(100,905)	107,501
N918DL Equipment Trust Beneficial Interests	21,074	135,890	81,670	(89,898)	127,662
N954DL Equipment Trust Beneficial Interests	21,205	72,604	112,997	(107,751)	77,850
N955DL Equipment Trust Beneficial Interests	20,000	111,010	103,527	(106,437)	108,100
N956DL Equipment Trust Beneficial Interests	20,172	106,800	105,581	(107,903)	104,478
N957DL Equipment Trust Beneficial Interests	19,872	107,682	105,105	(107,458)	105,329
N959DL Equipment Trust Beneficial Interests	19,577	108,579	104,638	(107,014)	106,203
N960DL Equipment Trust Beneficial Interests	18,590	107,865	104,750	(106,678)	105,937
N961DL Equipment Trust Beneficial Interests	19,044	102,826	107,207	(108,546)	101,487

N976DL Equipment Trust Beneficial Interests	20,825	102,006	101,347	(102,560)	100,793
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	272,075	3,900,025	18,674	(199,544)	3,719,155
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B, 8.5%, due 3/30/18	736,422	6,457,325	731,070	(2,697,402)	4,490,993

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Security	Dividends or Interest (2)	Fair Value at December 31, 2014	Acquisitions(3)	Dispositions(4)	Fair Value at December 31, 2015
RM OpCo, LLC, Senior Secured 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	238,052	2,567,717	239,889	(9,650)	2,797,956
RM OpCo, LLC, Convertible 2nd Lien Term Loan Tranche B-1, 8.5%, due 3/30/18	165,715	1,636,314	164,641	(17,919)	1,783,036
RM OpCo, LLC, Senior Convertible 2nd Lien Term Loan B, 8.5%, due 3/30/18	120,207	631,164	1,557,069	—	2,188,233
United N659UA-767, LLC (N659UA)	581,125	3,177,822	1,268,821	(1,078,044)	3,368,599
United N661UA-767, LLC (N661UA)	569,770	3,078,923	1,230,498	(1,015,397)	3,294,024
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 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, accretion of original issue and market discounts and net unrealized appreciation.

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

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

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 2016

Investment	Acquisition Date
Avanti Communications Group, PLC, Senior Secured Notes, 10%, due 10/1/19	9/26/13
BlackLine Intermediate, Inc., Warrants to Purchase Common Stock	9/25/13
Boomerang Tube Holdings, Inc., Common Stock	2/2/16
Caribbean Financial Group, Senior Secured Notes, 11.5%, due 11/15/19	10/19/12
Epic Aero, Inc. (One Sky), Warrants to Purchase Common Stock	12/4/13
Findly Talent, LLC, Membership Units	1/1/14
Fuse Media, LLC, Warrants to Purchase Common Stock	8/3/12
Fuse, LLC, Senior Secured Notes, 10.375%, due 7/1/19	6/18/14
GACP I, LP, Membership Units	10/1/15
Gogo Intermediate Holdings, LLC, Senior Secured Notes, 12.5%, due 7/1/22	6/9/16
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC, Common Interest Units	9/10/12
Nanosys, Inc., Warrants to Purchase Common Stock	3/29/16
NEG Parent, LLC, Class A Units	10/17/16
NEG Parent, LLC, Class A Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class B Warrants to Purchase Class A Units	10/17/16
NEG Parent, LLC, Class P Units	10/17/16
NEXTracker, Inc., Series B Preferred Stock	12/17/14
NEXTracker, Inc., Series C Preferred Stock	6/12/15
Rightside Group, Ltd., Warrants	8/6/14
Shop Holding, LLC (Connexity), Class A Units	6/2/11
Soasta, Inc., Warrants to Purchase Series F Preferred Stock	3/4/16
Soraa, Inc., Warrants to Purchase Common Stock	8/29/14
SoundCloud, Ltd., Warrants to Purchase Preferred Stock	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12

Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

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

Consolidated Schedule of Restricted Securities of Unaffiliated Issuers

December 31, 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 (144A)	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
GACP I, LP, Membership Units	10/1/15
Green Biologics, Inc., Warrants to Purchase Stock	12/22/14
InMobi, Inc., Warrants to Purchase Stock	9/18/15
Integra Telecom, Inc., Common Stock	11/19/09
Integra Telecom, Inc., Warrants	11/19/09
Iracore International, Inc., Senior Secured Notes, 9.5%, due 6/1/18	5/8/13
Magnolia Finance V plc, Asset-Backed Credit Linked Notes, 13.125%, due 8/2/21	8/1/13
Marsico Holdings, LLC, Common Interest Units	9/10/12
NEXTracker, Inc., Series B Preferred Stock	12/17/14
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	4/30/15
STG-Fairway Holdings, LLC (First Advantage), Class A Units	12/30/10
Trade Finance Funding I, Ltd., Secured Class B Notes, 10.75%, due 11/13/18	11/13/13
Utilidata, Inc., Warrants to Purchase Stock	12/22/15
V Telecom Investment S.C.A. (Vivacom), Common Shares	11/9/12
Waterfall International, Inc., Series B Preferred Stock	9/16/2015
Waterfall International, Inc., Warrants to Purchase Stock	9/16/2015

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SUBJECT TO COMPLETION, DATED MARCH 15, 2017

STATEMENT OF ADDITIONAL INFORMATION

THE INFORMATION IN THIS STATEMENT OF ADDITIONAL INFORMATION IS NOT COMPLETE AND MAY BE CHANGED. THE COMPANY MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS STATEMENT OF ADDITIONAL INFORMATION IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

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

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

This SAI does not constitute a prospectus, but should be read in conjunction with the Company s prospectus supplement relating thereto dated , 2017, and as it may be supplemented. This SAI does not include all information that a prospective investor should consider before investing in the Company s shares of common stock, shares of our preferred stock, debt securities, subscription rights to purchase shares of our securities or warrants representing rights to purchase our securities, and investors should obtain and read the Company s prospectus prior to purchasing such securities. A copy of the Company s Registration Statement, including the prospectus and any supplement, may be obtained from the Securities and Exchange Commission (the SEC) upon payment of the fee prescribed, or inspected at the SEC s office or via its website (www.sec.gov) at no charge.

This Statement of Additional Information is dated , 2017.

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THE COMPANY

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

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

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

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

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

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

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

For simplicity, this SAI uses the term Company, we, us and our to include the Holding Company and, where appropriate in the context, the Operating Company, TCPC Funding and TCPC SBIC on a consolidated basis. For example, (i) although all or substantially all of the net proceeds from the offerings will be invested in the Operating Company and all or substantially all of the Holding Company s investments will be made through the Operating Company, this SAI generally refers to the Holding Company s investments through the Operating Company as investments by the Company, and (ii) although the Operating Company, TCPC Funding and TCPC SBIC and not the Holding Company has entered into the Leverage Program (defined below), this SAI generally refers to the Operating Company s use of the Leverage Program as borrowings by the Company, in all instances in order to make the operations and investment strategy easier to understand. The Holding Company and the Operating Company have the same investment objective and policies and the assets, liabilities and results of operations of the Holding Company are consolidated with those of the Operating Company as described in our prospectus dated , 2017 under Prospectus Summary — Operating and Regulatory Tax Structure.

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

Together, our Advisor s Partners have invested approximately $18.2 billion in 501 companies since our Advisor s inception, through multiple business and credit cycles, across all segments of the capital structure through a broad set of credit-oriented strategies including leveraged loan origination, secondary investments of discounted debt securities, and distressed and control opportunities.

The Company

We are an externally managed, non-diversified closed-end management investment company that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, or the 1940 Act. Our investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We seek to achieve our investment objective primarily through investments in debt securities of middle-market companies, which we typically define as those with enterprise values between $100 million and $1.5 billion. While we intend to primarily focus on privately negotiated investments in debt of middle-market companies, we may make investments of all kinds and at all levels of the capital structure, including in equity interests such as preferred or common stock and warrants or options received in connection with our debt investments. Our investment activities will benefit from what we believe are the competitive advantages of our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination of the receipt of contractual interest payments on debt investments and

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origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. There are no material operating differences between us and our predecessor, however, as a BDC we are deemphasizing distressed debt investments, which may adversely affect our investment returns.

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

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MANAGEMENT OF THE COMPANY

Board of Directors

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of eight members, six of whom are not interested persons of our company or of our Advisor as defined in Section 2(a)(19) of the 1940 Act and are independent, as determined by our board of directors, consistent with the rules of The Nasdaq Global Select Market. We refer to these individuals as our independent directors. Our board of directors appoints our executive officers, who serve at the discretion of the board of directors. Information regarding our board of directors is as follows:

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Advisor-Advised RICs Consisting of Portfolios Overseen*	Other Public Company or Investment Company Directorships Held by Director**
Non-Interested Directors†					
Kathleen A. Corbet 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 57	Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member	2017; 2017 to present	Ms. Corbet is principal of Cross Ridge Capital, LLC, a firm she founded in 2008, which specializes in private investing and strategic consulting in the fin/tech and data sectors. From 2004 until 2007, Ms. Corbet served as president of Standard & Poor's, a provider of financial market intelligence. From 1993 until 2004, Ms. Corbet held several executive positions with Alliance Bernstein LP, an investment management and research firm, including as executive vice president and chief executive officer of the Alliance fixed income division. Since 2008, Ms. Corbet has been a director of MassMutual Financial Group, a mutual life insurance company, where she is lead director and serves on the audit, executive and investment committees. In 2016, Ms. Corbet was elected to serve as a director of CEB Inc., formerly known as Corporate Executive Board, providing best practice	2 RICs consisting of 1 Portfolio	None.

			insight and technology, where she serves on the audit committee. Since 2009, Ms. Corbet has been a trustee for The Jackson Laboratory, an independent non-profit, biomedical research institution. Ms. Corbet has earned NACD Fellowship in both Governance and Board Leadership from the National Association of Corporate Directors.		
Eric J. Draut 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 59	Director, Audit Committee Chair, Governance and Compensation Committee Member and Joint Transactions Committee Member	2017; 2011 to present	From 2011 to present, Mr. Draut has been a Director, Audit Committee Chairman, Governance and Compensation Committee Member and Joint Transactions Committee Member. In February 2015, Mr. Draut was appointed to the Board of Thrivent Financial for Lutherans, a registered investment adviser and Fortune 500 Company, and serves on the Finance and Audit Committees of the Board. In February 2015, Mr. Draut was also appointed to the Board	2 RICs consisting of 1 Portfolio	None.

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Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Advisor-Advised RICs Consisting of Portfolios Overseen*	Other Public Company or Investment Company Directorships Held by Director**
			of Holy Family Ministries, operator of Holy Family School. From 2001 to 2010 Mr. Draut was Executive Vice President, Chief Financial Officer and a Director of Unitrin Inc. (renamed Kemper Corporation in 2011). From 2006 to 2008, he was Treasurer and Director of Lutheran Social Services of Illinois. From 2008 to 2010 and again from 2014 to present, Mr. Draut was and is Chairman of the Board of Lutheran Social Services of Illinois. From 2012 to 2014, Mr. Draut was Executive Chairman of the Board of Lutheran Social Services of Illinois. From 2007 to 2008, Mr. Draut was Co-Chair of the Finance Committee of the Executive Club of Chicago. From 2004 to 2012, Mr. Draut was a member of the Steering Committee for the Office of Risk Management and Insurance Research at the University of Illinois at Urbana-Champaign. Also, from 2008 to September 2013, Mr. Draut was a Director of Intermec, Inc., where he served as Chairman of the Audit Committee.		
Franklin R. Johnson 2951 28th Street, Suite 1000, Santa Monica, California 90405	Director, Governance and Compensation Committee Chair, Audit Committee Member and Joint Transactions	2017; 2006 to present	Since inception, Mr. Johnson has been a Director, and from 2011 Chairman of the Governance and Compensation Committee, Audit Committee Member and Joint Transactions Committee Member. Until 2014, Mr. Johnson served on the board of directors and nominating and governance	2 RICs consisting of 1 Portfolio	None.

Age: 80	Committee Member	committee of Reliance Steel & Aluminum Co., where he also served as chair of the audit committee. Until July of 2006, he served as a director and chair of the audit committee of Special Value Opportunities Fund, LLC, an investment fund advised by the Advisor that operated as a registered investment company until 2015. Before becoming a business consultant in 2000, he was Chief Financial Officer of Rysher Entertainment, a producer and distributor of theatrical films and television programming and syndicator of television programming, where he worked for three years. Prior to that, he was at Price Waterhouse, an international public accounting and consulting firm where he was the Managing Partner of their Century City office and Managing Partner of their Entertainment and Media Practice.

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Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Advisor-Advised RICs Consisting of Portfolios Overseen*	Other Public Company or Investment Company Directorships Held by Director**
M. Freddie Reiss 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 70	Director, Audit Committee Member, Governance and Compensation Committee Member and Joint Transaction Committee Member	2017; 2016 to present	From March 2016 to November 2016, Mr. Reiss was a director, audit committee chair and member of the nominating and governance committee of Ares Dynamic Credit Allocation Fund, Inc.; February 2012 to November 2016, director and audit committee chair, Contech Engineered Solutions, Inc.; from September 2014 to November 2016, director and managing member, Variant Holdings LLC; prior to 2013, senior managing director, FTI Consulting Inc.	2 RICs consisting of 1 Portfolio	None.
Peter E. Schwab 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 73	Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member	2017; 2012 to present	From 2012 to present, Mr. Schwab has been a Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member. Mr. Schwab currently serves on the board of advisors for the Entrepreneurial Studies Center at the University of California, Los Angeles School of Business, is a board member for the Cardiovascular Research Foundation of Southern California, a board member of Gibraltar Business Capital, a board member of West Coast Sports Associates and a board member of Brentwood Country Club. Mr. Schwab has 39 years of experience in the asset-based lending industry, most recently as chairman and chief executive officer of Wells Fargo Capital Finance, a unit of Wells Fargo &	2 RICs consisting of 1 Portfolio	Rexford Industrial Realty, Inc.

			Company. Prior to joining Wells Fargo Capital Finance (and its predecessor firm Foothill Capital Corporation), he was vice president of business development with Aetna Business Credit (now known as Barclays American Business Credit). He started his career as business development officer at the National Acceptance Company of California.		
Brian F. Wruble 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 73	Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member	2017; 2015 to present	From 2015 to present, Mr. Wruble has been a Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member. Mr. Wruble currently serves on the board of the Institute for Advanced Study, for which he is treasurer, the Jackson Laboratory, for which he is chairman emeritus, and the Oppenheimer Funds New York Board, for which he is chairman. Until 2015, he was a director of the Special Value Opportunities Fund, LLC, an investment fund advised by the Advisor that operated as a registered investment company until 2015, and is a member of Zurich Insurance's	2 RICs consisting of 1 Portfolio	Oppenheimer Funds.***

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Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Advisor-Advised RICs Consisting of Portfolios Overseen*	Other Public Company or Investment Company Directorships Held by Director**
			Investment Management Advisory Council. He is a past governor of the Association for Investment Management and Research and a past chairman of the Institute of Chartered Financial Analysts. He was a general partner of Odyssey Partners, L.P., and he was a founder of Odyssey Investment Partners, LLC, both private investment firms in New York. Prior to joining Odyssey, Mr. Wruble was president and chief executive officer of the Delaware Group of Mutual Funds. He is a Chartered Financial Analyst and an associate editor of CFA Digest.		
Interested Directors††					
Howard M. Levkowitz 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 49	Director and Chief Executive Officer	2017; 2006 to present	Since inception, Mr. Levkowitz has been Chairman of the Board and President of the Company. In February 2012, Mr. Levkowitz became Chief Executive Officer and was succeeded as President by Rajneesh Vig. Mr. Levkowitz serves as executive officer of other consolidated funds managed by the Advisor and is Chairman of the Advisor's Management Committee. From 1999 to 2004 he was a Portfolio Manager at the Advisor. From 2005 to present, he has been a Managing Partner at the Advisor.	4 RICs consisting of 2 Portfolios	None.
Rajneesh Vig 2951 28th Street, Suite	Director; President and Chief	2017; 2012 to present (President);	In 2012, Mr. Vig became President of the Company. In 2013, Mr. Vig became a Director	4 RICs consisting of 2 Portfolios	None.

1000, Santa Monica, California 90405 Age: 45	Operating Officer	2013 to present (Director and Chief Operating Officer)	and the Chief Operating Officer of the Company. Mr. Vig is also as an executive officer of other consolidated funds managed by the Advisor. Since 2011, Mr. Vig has been a Managing Partner of the Advisor. From 2009 to 2010, he was a Partner of the Advisor. From 2006 to 2008, he was a Managing Director of the Advisor. Since 2007, Mr. Vig has been a Director of Dialogic Inc., and its predecessor entity, Dialogic Corporation.

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Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Advisor-Advised RICs Consisting of Portfolios Overseen*	Other Public Company or Investment Company Directorships Held by Director**
Executive Officers Who Are Not Directors					
Paul L. Davis 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 43	Chief Financial Officer	N/A; 2008 to present	Mr. Davis has been the Chief Financial Officer of the Company since 2008. From 2004 to August 2008, Mr. Davis was Chief Compliance Officer and Vice President of Finance at the Advisor; from August 2010 to present, he has been Chief Financial Officer of the Advisor and Mr. Davis is Chief Financial Officer of other consolidated funds managed by the Advisor.	N/A	N/A
Elizabeth Greenwood 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 53	Secretary and Chief Compliance Officer	N/A; 2007 to present as Secretary; 2008 to present as Chief Compliance Officer	Ms. Greenwood became Secretary of the Company in 2007 and Chief Compliance Officer in 2008. From 2007 to 2008, she was Associate General Counsel at the Advisor; from 2008 to present, she has been General Counsel of the Advisor; from August 2008 to present, she has been Chief Compliance Officer of the Advisor and Ms. Greenwood is Secretary and Chief Compliance Officer of other consolidated funds managed by the Advisor.	N/A	N/A
Todd Jaquez-Fissori 2951 28th Street, Suite 1000, Santa Monica, California 90405 Age: 47	Managing Director	N/A; 2014 to present	Mr. Jaquez-Fissori became Managing Director of the Company and the Advisor in April 2014. From 2009 to April 2014, Mr. Jaquez-Fissori served as a senior managing director and group head of the energy technology group of Hercules Technology Growth Capital.	N/A	N/A

* For purposes of this chart, RICs refers to registered investment companies and business development companies, and “Portfolios” refers to the investment programs of the Company. Some of the RICs have the same investment program because they invest through a master-feeder structure, which results in the smaller number of Portfolios than RICs.

** Directorships disclosed under this column do not include directorships disclosed under the column Principal Occupation(s) During Past Five Years.

*** Oppenheimer Funds includes the following entities, which are part of a single family of funds: Oppenheimer Capital Appreciation Fund; Oppenheimer Developing Markets Fund; Oppenheimer Discovery Fund; Oppenheimer Discovery Mid Cap Growth; Oppenheimer Dividend Opportunity Fund; Oppenheimer Emerging Markets Innovators Fund; Oppenheimer Equity Income Fund; Oppenheimer Global Fund; Oppenheimer Global Multi-Alternatives Fund; Oppenheimer Global Multi-Asset Growth; Oppenheimer Global Multi-Asset Income Fund; Oppenheimer Global Multi Strategies Fund; Oppenheimer Global Opportunities Fund; Oppenheimer Global Real Estate Fund; Oppenheimer Global Value Fund; Oppenheimer Gold & Special Minerals Fund; Oppenheimer Government Money Market Fund; Oppenheimer Government Institutional Money Market Fund; Oppenheimer International Diversified Fund; Oppenheimer International Growth and Income Fund; Oppenheimer International Growth Currency Hedged Fund; Oppenheimer International Growth Fund; Oppenheimer International Small-Mid Company Fund; Oppenheimer International Value Fund; Oppenheimer Limited-Term Bond Fund; Oppenheimer Macquarie Global Infrastructure Fund; Oppenheimer Master International Value Fund, LLC; Oppenheimer Multi-State Municipal Trust; Oppenheimer Portfolio Series; Oppenheimer Quest For Value Funds/Oppenheimer Fundamental Alternatives Fund; Oppenheimer Quest For Value Funds/Oppenheimer Global Allocation Fund; Oppenheimer Quest For Value Funds/Oppenheimer Mid Cap Value Fund; Oppenheimer Real Estate Fund; Oppenheimer Rising Dividends Fund; Oppenheimer Rochester AMT-Free Municipal Fund; Oppenheimer Rochester AMT-Free New York Municipal Fund; Oppenheimer Rochester Arizona Municipal Fund; Oppenheimer Rochester California Municipal Fund; Oppenheimer Rochester Fund Municipals; Oppenheimer Rochester Intermediate Term Municipal Fund; Oppenheimer Rochester Limited Term California Municipal Fund; Oppenheimer Rochester Limited Term Municipal Fund; Oppenheimer Rochester Limited Term New York Municipal Fund; Oppenheimer Rochester Maryland Municipal Fund; Oppenheimer Rochester Massachusetts Municipal Fund; Oppenheimer Rochester Michigan Municipal Fund;

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Oppenheimer Rochester Minnesota Municipal Fund; Oppenheimer Rochester North Carolina Municipal Fund; Oppenheimer Rochester Ohio Municipal Fund; Oppenheimer Rochester Short Term Municipal Fund; Oppenheimer Rochester Virginia Municipal Fund; Oppenheimer Series Fund; and Oppenheimer Small Cap Value Fund.

† Mr. Johnson is not standing for re-election at the 2017 annual meeting and his term will expire at such meeting.

†† Messrs. Levkowitz and Vig are interested persons (as defined in the 1940 Act) of the Company by virtue of their current positions with the Advisor.

Biographical information

The board of directors has adopted procedures for evaluating potential director candidates against the knowledge, experience, skills, expertise and diversity that it believes are necessary and desirable for such candidates. The board believes that each director satisfied, at the time he or she was initially elected or appointed a director, and continues to satisfy, the standards contemplated by such procedures. In addition to such procedures, the Board has adopted requirements that (1) no Director serve concurrently as a director of more than six public companies, for which directorships on companies in a family of funds will count as a single directorship and (2) Directors be subject to a mandatory retirement age of 75, which mandatory retirement age may be waived by a majority vote of the Board and which does not apply to the Directors as of November 3, 2015. Furthermore, in determining that a particular director was and continues to be qualified to serve as a director, the board has considered a variety of criteria, none of which, in isolation, was controlling. The board believes that, collectively, the directors have balanced and diverse experience, skills, attributes and qualifications, which allow the board to operate effectively in governing the Company and protecting the interests of stockholders. Among the attributes common to all directors are their ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with our Advisor and other service providers, counsel and independent auditors, and to exercise effective business judgment in the performance of their duties as directors. Each director s ability to perform his or her duties effectively is evidenced by his or her educational background or professional training; business, consulting, public service or academic positions; experience from service as a board member of the Company, other investment companies, public companies, or non-profit entities or other organizations; ongoing commitment and participation in board and committee meetings, as well as his or her leadership of standing committees; or other relevant life experiences. Information about the specific experience, skills, attributes and qualifications of each director, which in each case led to the board s conclusion that the director should serve as a director of the Company, is provided in below, in Biographical information. Our directors have been divided into two groups — interested directors and independent directors.

Interested directors are interested persons as defined in the 1940 Act. Howard M. Levkowitz and Rajneesh Vig are interested directors by virtue of their employment with our Advisor. In part because the Company is an externally-managed investment company, the board believes having an interested chairperson that is familiar with the Company s portfolio companies, its day-to-day management and the operations of our Advisor, greatly enhances, among other things, its understanding of the Company s investment portfolio, business, finances and risk management efforts. In addition, the board believes that each of Mr. Levkowitz s and Mr. Vig s employment with our Advisor allows for the efficient mobilization of our Advisor s resources at the board s behest and on its behalf. The board of directors does not have a lead independent director. The board of directors believes its relatively small size and the composition and leadership of its committees allow each director to enjoy full, accurate and efficient communication with the Company, our Advisor and management, and facilitates the timely transmission of information among such parties.

Director Independence

On an annual basis, each member of our board of directors is required to complete an independence questionnaire designed to provide information to assist the board of directors in determining whether the director is independent. Our board of directors has determined that each of our directors, other than Messrs. Levkowitz and Vig, is independent under the 1940 Act.

Interested Directors

Howard M. Levkowitz: Mr. Levkowitz is Chairman of the Board and Chief Executive Officer of the Company. Mr. Levkowitz serves as President of several funds advised by our Advisor and is Chairman of our Advisor s Management Committee. The Board benefits from Mr. Levkowitz s experience at our Advisor and his intimate knowledge of the decision process used by our Advisor s Investment Committee. In addition to overseeing the Company, Mr. Levkowitz has served as a director of both public and private companies and has

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served on a number of formal and informal creditor committees. The Board also benefits from Mr. Levkowitz s past experience as an attorney specializing in real estate and insolvencies with Dewey Ballantine. Mr. Levkowitz received a B.A. in History (Magna Cum Laude) from the University of Pennsylvania, a B.S. in Economics (Magna Cum Laude, concentration in finance) from The Wharton School, and a J.D. from the University of Southern California. Mr. Levkowitz s current service as Chief Executive Officer and longstanding service as Chairman of the Board and president of the Company, executive officer of other consolidated funds advised by our Advisor and Co-Founder of our Advisor and Chairman of its Management Committee provide him with a specific understanding of the Company, its operation, and the business and regulatory issues facing the Company.

Rajneesh Vig: Mr. Vig is the Chief Operating Officer and President of the Company. Since 2011, Mr. Vig has been a Managing Partner of our Advisor. The Board benefits from Mr. Vig s experience in accounting, finance and consulting as well as his position with our Advisor. From 2009 to 2010, he was a Partner of our Advisor. From 2006 to 2008, he was a Managing Director of our Advisor. Prior to joining our Advisor, Mr. Vig worked for Deutsche Bank in New York as a member of the bank s Principal Finance Group. Prior to that, Mr. Vig was a Director in the Technology Investment Banking group in San Francisco where he advised a broad range of growth and large cap technology companies on merger, acquisition and public/private financing transactions. Prior to his time at Deutsche Bank, Mr. Vig was a Manager in Price Waterhouse s Shareholder Value Consulting group, and he began his career in Arthur Andersen s Financial Markets/Capital Markets group. He currently serves on the board of Dialogic and is a board observer for GSI Group. Mr. Vig is also on the Los Angeles Advisory Board of the Posse Foundation, a non-profit organization that identifies, recruits and trains student leaders from public high schools for enrollment at top-tier universities. He received a B.A. with highest honors in Economics and Political Science from Connecticut College and an M.B.A. in Finance from New York University. Mr. Vig s current service as President of the Company and executive officer of other consolidated funds managed by our Advisor provides him with a specific understanding of the Company, its operation, and the business and regulatory issues facing the Company.

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Independent Directors

Kathleen A. Corbet: Ms. Corbet is a Director and member of the Company s Governance and Compensation Committee, member of the Audit Committee and a member of the Joint Transactions Committee. Ms. Corbet is principal of Cross Ridge Capital, LLC, a firm she founded in 2008, which specializes in private investing and strategic consulting in the fin/tech and data sectors. From 2004 until 2007, Ms. Corbet served as president of Standard & Poor s, a provider of financial market intelligence. From 1993 until 2004, Ms. Corbet held several executive positions with Alliance Bernstein LP, an investment management and research firm, including as executive vice president and chief executive officer of the Alliance fixed income division. Since 2008, Ms. Corbet has been a director of MassMutual Financial Group, a mutual life insurance company, where she is lead director and serves on the audit, executive and investment committees. In 2016, Ms. Corbet was elected to serve as a director of CEB Inc., formerly known as Corporate Executive Board, providing best practice insight and technology, where she serves on the audit committee. Since 2009, Ms. Corbet has been a trustee for The Jackson Laboratory, an independent non-profit, biomedical research institution. Ms. Corbet has earned NACD Fellowship in both Governance and Board Leadership from the National Association of Corporate Directors. Ms. Corbet received a B.S. from Boston College and an MBA from New York University s Stern School of Business. Ms. Corbet s knowledge of financial and accounting matters qualifies her to serve as a member of the Company s Audit Committee.

Eric J. Draut: Mr. Draut is a Director, Chairman of the Company s Audit Committee, member of the Governance and Compensation Committee and member of the Joint Transactions Committee. The Board benefits from Mr. Draut s nearly thirty year career in accounting. Mr. Draut completed a twenty year career at Kemper Corporation (formerly Unitrin, Inc.) in 2010, serving the last nine years as Executive Vice President, Chief Financial Officer and a member of its board of directors. Mr. Draut also held positions at Kemper Corporation as Group Executive, Treasurer and Corporate Controller. Prior to joining Kemper Corporation, Mr. Draut was Assistant Corporate Controller at Duchossois Industries, Inc. and at AM International, Inc. Mr. Draut began his career at Coopers and Lybrand. Mr. Draut is a Certified Public Accountant, received an M.B.A. in finance and operations from J.L. Kellogg Graduate School of Management at Northwestern University and a B.S. in accountancy from the University of Illinois at Urbana-Champaign, graduating with High Honors. Until September 2013 Mr. Draut served as a Director and Chairman of the audit committee of Intermec. In February 2015, Mr. Draut was appointed to the Board of Thrivent Financial for Lutherans, a registered investment advisor and a Fortune 500 Company, and serves on the Finance and Audit Committees of the Board. In February 2015 Mr. Draut was also appointed to the Board of Holy Family Ministries, operator of Holy Family School. Mr. Draut volunteers with Lutheran Social Services of Illinois where he currently serves as Chairman of the Board of Directors and recently served as Executive Chairman of its Board of Directors. Mr. Draut is also a National Association of Corporate Directors Fellow. Mr. Draut s knowledge of financial and accounting matters, and his independence from the Company and our Advisor, qualifies him to serve as the Chairman of the Company s Audit Committee.

Franklin R. Johnson: Mr. Johnson is a Director and Chairman of the Company s Governance and Compensation Committee, member of the Audit Committee and a member of the Joint Transactions Committee. Mr. Johnson is not standing for re-election at the 2017 annual meeting and his term will expire at such meeting. Mr. Johnson has a wealth of leadership, business and financial experience. Until 2014, he served on the board of directors and nominating and governance committee of Reliance Steel & Aluminum Co., where he also served as chair of the audit committee. Until July of 2006, he served as a director and chair of the audit committee of Special Value Opportunities Fund, LLC, an investment fund advised by our Advisor that operated as a registered investment company until 2015. Before becoming a business consultant in 2000, he was Chief Financial Officer of Rysher Entertainment, a producer and distributor of theatrical films and television programming and syndicator of television programming, where he worked for three years. Prior to that, he was at Price Waterhouse, an international public accounting and consulting firm where he was the Managing Partner of their Century City office and Managing Partner of their Entertainment and Media Practice. Mr. Johnson s knowledge of financial and accounting matters qualifies him to serve as a member of the

Company s Audit Committee.

M. Freddie Reis: Mr. Reiss is a Director and member of the Company s Audit Committee, Governance and Compensation Committee and Joint Transaction Committee. Mr. Reiss retired from his role as Senior Managing Director in the Corporate Finance/Restructuring practice of FTI Consulting, Inc. in 2013. Mr. Reiss has over 30 years of experience in strategic planning, cash management, liquidation analysis, covenant negotiations, forensic accounting and valuation. He specializes in advising on bankruptcies, reorganizations, business

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restructuring and in providing expert witness testimony for underperforming companies. Prior to joining FTI Consulting, Mr. Reiss was a partner and west region leader at PricewaterhouseCoopers, LLP, where he co-founded the Business Restructuring Services practice. Mr. Reiss is a recognized expert in the field of financial restructuring. Mr. Reiss holds an M.B.A. from City College of New York s Baruch College and a B.B.A. from City College of New York s Bernard Baruch School of Business. He is a certified insolvency and restructuring advisor, a certified public accountant in New York and California and a certified turnaround professional. Mr. Reiss was formerly an independent director, audit committee chair and a member of the nominating and governance committee of Ares Dynamic Credit Allocation Fund, Inc. He is also on the Board of Trustees for the Baruch College Fund, and was chairman of the audit committee and independent board member for Contech Engineered Solutions and Managing Member of Variant Holdings LLC. Mr. Reiss was an independent director and member of the audit committee of the Advisor s Special Value Opportunities Fund. He was also an independent director and chair of the audit committee for Liberty Medical Group and Brundage Bone Inc. Mr. Reiss s knowledge of financial and accounting matters qualifies him to serve as a member of the Company s Audit Committee.

Peter E. Schwab: Mr. Schwab is a Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member. Mr. Schwab is an emeritus member of the board of advisors for the Entrepreneurial Studies Center at the University of California, Los Angeles School of Business, is a board member for the Cardiovascular Research Foundation of Southern California, a board member of Stonegate Capital, a board member of West Coast Sports Associates and a board member of Brentwood Country Club. Mr. Schwab is also a member of the board of directors of Rexford Industrial Realty, Inc., an NYSE publicly traded real estate investment trust (Rexford), and serves on the audit committee, compensation committee, and nominating and corporate governance committee for Rexford. Mr. Schwab received a B.S. in education from California State University, Northridge and his master s degree in education administration from California State University, Northridge. He has 39 years of experience in the asset-based lending industry, most recently as chairman and chief executive officer of Wells Fargo Capital Finance, a unit of Wells Fargo & Company. Prior to joining Wells Fargo Capital Finance (and its predecessor firm Foothill Capital Corporation), he was vice president of business development with Aetna Business Credit (now known as Barclays American Business Credit). He started his career as business development officer at the National Acceptance Company of California. Mr. Schwab s knowledge of financial and accounting matters qualifies him to serve as a member of the Company s Audit Committee.

Brian F. Wruble: Mr. Wruble is a Director, Governance and Compensation Committee Member, Audit Committee Member and Joint Transactions Committee Member. Mr. Wruble currently serves on the board of the Institute for Advanced Study, for which he is treasurer, the Jackson Laboratory, for which he is chairman emeritus, and the Oppenheimer Funds New York Board, for which he is chairman. Until 2015, he was a director of the Special Value Opportunities Fund, LLC, an investment fund advised by our Advisor that operated as a registered investment company until 2015, and is a member of Zurich Insurance s Investment Management Advisory Council. He is a past governor of the Association for Investment Management and Research and a past chairman of the Institute of Chartered Financial Analysts. He was a general partner of Odyssey Partners, L.P., and he was a founder of Odyssey Investment Partners, LLC, both private investment firms in New York. Prior to joining Odyssey, Mr. Wruble was president and chief executive officer of the Delaware Group of Mutual Funds. Mr. Wruble joined Delaware in 1992 following 13 years with The Equitable Life Assurance Society of the U.S. At Equitable, he was executive vice president and chief investment officer. He also served as chairman, president and CEO of Equitable Capital Management Corporation, a wholly owned investment management subsidiary of Equitable. Mr. Wruble founded Equitable Capital in 1985. With clients that included pension funds, endowments, foundations, insurance companies and individual investors, Equitable Capital grew to become a manager of nearly $40 billion in stocks, bonds and privately placed securities. Prior to joining Equitable in 1979, Mr. Wruble spent nearly 10 years on Wall Street, most recently with Smith Barney, Harris Upham and Company where he was vice president and co-manager of fundamental equities research and a member of the Institutional Investor All America Research Team. From 1966-1970, Mr. Wruble was an engineer with the Sperry Gyroscope Company. In that capacity, he served at sea on-board the U.S. Navy experimental nuclear-powered deep submersible, Submarine NR-1. Mr. Wruble was a McMullen Scholar at Cornell University where he earned bachelors and masters degrees in electrical engineering. He received an MBA with distinction from New York University. He is a Chartered Financial Analyst and an associate editor of CFA Digest. Mr. Wruble s knowledge of financial and accounting matters qualifies him to serve as a member of the Company s Audit Committee.

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Executive officers who are not directors

Paul L. Davis: Mr. Davis is the Chief Financial Officer of the Company. Mr. Davis also serves as Chief Financial Officer of our Advisor and other consolidated funds managed by our Advisor. Prior to being appointed CFO, he served for four years as Chief Compliance Officer of the Company and as Chief Compliance Officer and Vice President, Finance of our Advisor. He was formerly employed as Controller of a publicly traded securities brokerage firm, following employment at Arthur Andersen, LLP as an auditor. He received a B.A. (Magna Cum Laude) in Business-Economics from the University of California at Los Angeles, and is a Certified Public Accountant in the State of California.

Elizabeth Greenwood: Ms. Greenwood is General Counsel and Chief Compliance Officer of the Advisor, and Secretary and Chief Compliance Officer of the Company. Prior to joining the Company in 2007, Ms. Greenwood served as General Counsel and Chief Compliance Officer at Strome Investment Management, L.P. Prior to that, Ms. Greenwood served as Counsel at companies funded by Pacific Capital Group and Ridgestone Corporation. She began her legal career as an Associate with Stroock & Stroock & Lavan LLP. Ms. Greenwood serves as Chair of the Legal Steering Committee of the Small Business Investor Alliance. Ms. Greenwood received a J.D. from Stanford Law School and a Bachelor of Business Administration with highest honors from The University of Texas at Austin.

Todd Jaquez-Fissori: Mr. Jaquez-Fissori is the Managing Director of the Company. Mr. Jaquez-Fissori also serves as Managing Director of our Advisor. He is also the Head of the Energy Technology Group. Prior to joining the Company in 2014, Mr. Jaquez-Fissori served as a senior managing director and group head of the energy technology group of Hercules Technology Growth Capital from 2009 to April 2014. Before joining Hercules Technology Growth Capital in 2009, Mr. Jaquez-Fissori served as a director at TriplePoint Capital from February 2008 to December 2008 and was the general partner in charge of clean technology investing at Siemens Venture Capital from March 2004 to February 2008. Prior to working at Siemens Venture Capital, Mr. Jaquez-Fissori served as a principal at Boulder Ventures from March 2000 to March 2004 and as an analyst at Mayfield from May 1996 to September 1998. Mr. Jaquez-Fissori received a B.A. from Penn State University and an M.B.A. from the University of Pennsylvania Wharton School of Business.

Committees of the Board of Directors

Our Board of Directors currently has three committees: an Audit Committee, a Governance and Compensation Committee and a Joint Transaction Committee.

Audit Committee. The Audit Committee operates pursuant to a charter approved by our Board of Directors and met seven times during the fiscal year ended December 31, 2016. The Audit Committee currently holds regular meetings on a quarterly basis and special meetings as needed. The charter sets forth the responsibilities of the Audit Committee and can be accessed at http://investors.tcpcapital.com/governance.cfm. The primary function of the Audit Committee is to serve as an independent and objective party to assist the Board of Directors in fulfilling its responsibilities for overseeing all material aspects of our accounting and financial reporting processes, monitoring the independence and performance of our independent registered public accounting firm, providing a means for open communication among our independent accountants, financial and senior management and the Board, and overseeing our compliance with legal and regulatory requirements. The Audit Committee is presently composed of Messrs. Draut (Chairperson), Johnson, Reiss, Schwab and Wruble and Ms. Corbet, each of whom is considered independent for purposes of the 1940 Act and The Nasdaq Global Select Market listing standards. Our Board of Directors has determined that each of Messrs. Draut, Johnson, Reiss and Schwab and Ms. Corbet is an audit committee financial expert as defined under Item 407(d)(5) of Regulation S-K of the Securities Exchange Act of 1934. In addition, each member of our Audit Committee meets the current independence and experience requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and, in addition, is not an interested person of the Company or of our Advisor as defined in Section

2(a)(19) of the 1940 Act.

Joint Transaction Committee. The Joint Transaction Committee, which during the fiscal year ended December 31, 2016 was comprised of Messrs. Draut, Johnson, Reiss, Schwab and Wruble, met 20 times during such fiscal year. In March 2017, Ms. Corbet was appointed as a member. The Joint Transaction Committee operates to approve the allocation of certain private placement transactions in which we participate with one or more of our Advisor s other accounts in accordance with our exemptive orders obtained from the Commission.

Governance and Compensation Committee. The Governance and Compensation Committee operates pursuant to a charter approved by our Board of Directors. The charter sets forth the responsibilities of the Governance and Compensation Committee, including, but not limited to, making nominations for the appointment or election of independent directors, personnel training policies, administering the provisions of the code of ethics applicable to the Independent Directors and determining, or recommending to the Board for determination, the compensation of any executive officers of the Company. Currently, the Company s executive officers do not receive any direct compensation from the Company. The Governance and Compensation Committee consists of Messrs. Draut, Johnson (Chairperson until May 25, 2017), Reiss, Schwab and Wruble and Ms. Corbet (who was appointed in March 2017), each of whom is considered independent for purposes of the 1940 Act and The Nasdaq Global Select Market listing standards. The Governance and Compensation Committee met three times during the fiscal year ended December 31, 2016.

With respect to nominations to the Board, the Governance and Compensation Committee seeks to identify individuals to serve on the Board who have a diverse range of viewpoints, qualifications, experiences, backgrounds and skill sets so that the Board will be better suited to fulfill its responsibility of overseeing the Company s activities. In so doing, the Governance and Compensation Committee reviews the size of the Board and the knowledge, experience, skills, expertise and diversity of the Directors in light of the issues facing the Company in determining whether one or more new Directors should be added to the Board.

The Governance and Compensation Committee may consider recommendations for nomination of Directors from our stockholders. Nominations made by stockholders must be delivered to or mailed (setting forth the information required by our bylaws) and received at our principal executive offices not earlier than 150 days nor fewer than 120 days in advance of the first anniversary of the date on which we first mailed our proxy materials for the previous year s annual meeting of stockholders; *provided, however*, that if the date of the annual meeting has changed by more than 30 days from the prior year, the nominations must be received not earlier than the 150th day prior to the date of such annual meeting nor later than the later of (1) the 120th day prior to the date of such annual meeting or (2) the 10th day following the day on which public announcement of such meeting date is made.

Day-to-day risk management with respect to the Company is the responsibility of our Advisor or other service providers (depending on the nature of the risk) subject to the supervision of our Advisor. The Company is subject to a number of risks, including investment, compliance, operational and valuation risks, among others. While there are a number of risk management functions performed by our Advisor and the other service providers, as applicable, it is not possible to eliminate all of the risks applicable to the Company. Risk oversight is part of the board s general oversight of the Company and is addressed as part of various board and committee activities. The board, directly or through a committee, also reviews reports from, among others, management, the independent registered public accounting firm for the Company and internal accounting personnel for our Advisor, as appropriate, regarding risks faced by the Company and management s or the service provider s risk functions. The committee system facilitates the timely and efficient consideration of matters by the directors, and facilitates effective oversight of compliance with legal and regulatory requirements and of the Company s activities and associated risks. Our Chief Compliance Officer oversees the implementation and testing of the Company s compliance program and reports to the board regarding compliance matters for the Company and its service providers. The independent directors have engaged independent legal counsel to assist them in performing their oversight responsibilities.

Compensation of Directors

The Company is authorized to pay each Independent Director the following amounts for serving as a Director: (i) $50,000 a year; (ii) $5,000 for each meeting of the Board of Directors or a committee thereof physically attended by such Director; (iii) $5,000 for each regular meeting of the Board of Directors or a committee thereof attended via telephone by such Director; and (iv) $1,000 for each special meeting of the Board of Directors or a committee thereof attended via telephone by such Director. The Chairman of the Governance and Compensation Committee receives $5,000 per year and the Chairman of the Audit Committee receives $7,500 per year. Each Director is also entitled to reimbursement for all out-of-pocket expenses of such person in attending each meeting of the Board of Directors and any committee thereof.

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Equity securities owned by directors

The following table sets out the dollar range of our equity securities beneficially owned by each of our directors as of March 14, 2017. We are not part of a family of investment companies, as that term is defined in the 1940 Act.

Name of Director	Dollar Range of Equity Securities in the Company(1)
Interested Directors	
Howard M. Levkowitz	Over $100,000
Rajneesh Vig	Over $100,000
Independent Directors	
Kathleen A. Corbet	None
Eric J. Draut(2)	Over $100,000
Franklin R. Johnson(3)	Over $100,000
M. Freddie Reiss(2)	Over $100,000
Peter E. Schwab(2)	Over $100,000
Brian F. Wruble(2)	Over $100,000

(1) Dollar ranges are as follows: none, $1 – $10,000, $10,001 – $50,000, $50,001 – $100,000, or over $100,000.

(2) Mr. Draut has a capital commitment of $750,000 in Tennenbaum Opportunities Fund VI, LLC (“TOF VI”), and a capital commitment of $500,000 in Tennenbaum Special Situations Fund IX, LLC (“Fund IX”), two private investment funds advised by the Advisor. Mr. Reiss has capital commitments of $250,000 in TOF VI, $250,000 in Fund IX, $250,000 in Tennenbaum Opportunities Fund V, LLC, an investment fund advised by the Advisor that operates as a registered investment company, and $150,000 in Special Value Opportunities Fund, LLC (“SVOF LLC”), a private investment fund advised by the Advisor. Mr. Schwab has a capital commitment of $250,000 in Fund IX. Mr. Wruble has capital commitments of $1,000,000 in TOF VI, $500,000 in Fund IX and $1,000,000 in SVOF LLC. Such interests are each less than one percent of the class of securities of such fund.

(3) Mr. Johnson is not standing for re-election at the 2017 annual meeting and his term will expire at such meeting.

Staffing and Compensation

We do not currently have any employees and do not expect to have any employees. Accordingly, none of our officers receive direct compensation from us. Services necessary for our business are provided by our Advisor and the Administrator, pursuant to the terms of the investment management agreements and the administration agreement. Each of our executive officers described under Management is an employee of our Advisor and the Administrator. Our day-to-day investment operations are managed by our Advisor. The services necessary for the origination and administration of our investment portfolio are provided by investment professionals employed by our Advisor. Our Advisor s investment professionals focus on origination and transaction development and the ongoing monitoring of our investments. See Management of the Company — Investment Management Agreements in the accompanying prospectus to which this SAI relates. In addition, we reimburse the Administrator for our allocable portion of expenses incurred by it in performing its obligations under the administration agreement, including our allocable portion of the Administrator s cost for the administrative activities of persons who serve as our officers and their respective staffs. To the extent that the Administrator outsources any of its functions, we pay the fees associated with such functions on a direct basis without profit to the Administrator. Although the Administrator waived these reimbursements through December 31, 2012, it discontinued such waiver starting at January 1, 2013. See Management of the Company — Administration Agreement in the accompanying prospectus to which this SAI relates.

Conflicts of Interest

We have entered into investment management agreements with our Advisor and an administration agreement with the Administrator. Our executive officers hold equity interests in our Advisor. In addition, our Advisor and its affiliates, employees and associates currently do and in the future may manage Other Advisor Accounts. Other Advisor Accounts invest in assets that are also eligible for purchase by us. Our investment policies, compensation arrangements and other circumstances may vary from those of Other Advisor Accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and Other Advisor Accounts. In general, except as described below, our Advisor and its affiliates will allocate investment opportunities pro rata among us and Other Advisor Accounts (assuming the investment satisfies the objectives of each) based on the amount of committed capital each then has available and under management by our Advisor and its affiliates. Allocation of certain investment opportunities in originated private placements is subject to independent director approval pursuant to the terms of the co-investment exemptive order applicable to us and described below. In certain cases, investment opportunities may be made other than on a pro rata basis. For example, we may desire to retain an asset at the same time that one or more Other Advisor Accounts desire to sell it. Our Advisor and its affiliates intend to allocate investment opportunities to us and Other Advisor Accounts in a manner that they believe in their judgment and based upon their fiduciary duties to be appropriate given the investment objectives, size of transaction, investable assets, alternative investments potentially available, prior allocations, liquidity, maturity, expected holding period, diversification, lender covenants and other limitations of us and the Other Advisor Accounts. All of the foregoing procedures could in certain circumstances affect adversely the price paid or received by us or the availability or size of a particular investment purchased or sold by us.

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

Pursuant to the administration agreement, the Administrator furnishes us with the facilities and administrative services necessary to conduct our day-to-day operations, including equipment, clerical, bookkeeping and recordkeeping services at such facilities. In addition, the Administrator assists us in connection with the determination and publishing of our respective net asset values, the preparation and filing of tax returns and the printing and dissemination of reports to our stockholders. We reimburse the Administrator for its allocable portion of overhead and other expenses incurred by it in performing its obligations under the administration agreement. Although the Administrator waived these reimbursements through December 31, 2012, it discontinued such waiver starting at January 1, 2013. See Management of the Company — Administration Agreement in the accompanying prospectus to which this SAI relates. This contract may be terminated by us or the Administrator without penalty upon 60 days written notice to the other.

We have entered into a license agreement with our Advisor under which our Advisor has granted to us a non-exclusive, personal, revocable worldwide non-transferable license to use our Advisor trade name and service mark, for specified purposes in connection with our respective businesses. This license agreement is royalty-free, which means we will not be charged a fee for our use of the trade name and service mark Tennenbaum. The license agreement is terminable either in its entirety or with respect to us by our Advisor at any time in its sole discretion upon 60 days prior written notice. Other than with respect to the limited rights contained in the license agreement, we have no right to use, or other rights in respect of, our Advisor name and mark.

Exemptive Order

Our Advisor and we believe that, in certain circumstances, it may be in our best interests to be able to co-invest with registered and unregistered funds managed now or in the future by our Advisor and its affiliates in order to be able to participate in a wider range of transactions. Currently, SEC regulations and interpretations would permit us to co-invest with registered and unregistered funds that are affiliated with our Advisor in publicly traded securities and also in private placements where (i) our Advisor negotiates only the price, interest rate and similar price-related terms of the securities and not matters such as covenants, collateral or management rights and (ii) each relevant account acquires and sells the securities at the same time in pro rata amounts (subject to exceptions approved by compliance personnel after considering the reasons for the requested exception). Such regulations and interpretations also permit us to co-invest in other private placements with registered investment funds affiliated with our Advisor in certain circumstances, some of which would require certain findings by our independent directors and the independent directors of each other eligible registered fund. However, current SEC regulations and interpretations would not permit co-investment by us with unregistered funds affiliated with our Advisor in private placements where our Advisor negotiates non-pricing terms such as

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covenants, collateral and management rights. Accordingly, under current SEC regulations, in the absence of an exemption we may be prohibited from co-investing in certain private placements with any unregistered fund or account managed now or in the future by our Advisor or its affiliates.

Our Advisor and various funds managed by our Advisor have received an exemption from such regulations. Under the SEC order granting such exemption, each time our Advisor proposes that an unregistered fund or registered fund acquire private placement securities that are suitable for us, our Advisor will prepare a recommendation as to the proportion to be allocated to us taking into account a variety of factors such as the investment objectives, size of transaction, investable assets, alternative investments potentially available, prior allocations, liquidity, maturity, expected holding period, diversification, lender covenants and other limitations. Our independent directors will review the proposed transaction and may authorize co-investment by us of up to our pro rata amount of such securities based on our total available capital if a majority of them conclude that: (i) the transaction is consistent with our investment objective and policies; (ii) the terms of co-investment are fair to us and our stockholders and do not involve overreaching; and (iii) participation by us would not disadvantage us or be on a basis different from or less advantageous than that of the participating unregistered accounts and other registered funds. If our Advisor determines that we should not participate in the co-investment opportunity that would otherwise be suitable in light of our investment objective, this determination must also be submitted to the independent directors for their approval. The directors may also approve a lower amount or determine that we should not invest. The directors may also approve a higher amount to the extent that other accounts managed by our Advisor decline to participate. In addition, private placement follow-on investments and disposition opportunities must be made available in the same manner on a pro rata basis and no co-investment (other than permitted follow-on investments) is permitted where we, on the one hand, or any other account advised by our Advisor or an affiliate, on the other hand, already hold securities of the issuer.

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

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

Control Persons and Principal Stockholders

To our knowledge as of March 14, 2017 there were no persons that owned more than 25% of our outstanding voting securities, and no person would be presumed to control us, as such term is defined in the 1940 Act.

Our Directors are divided into two groups — interested directors and independent directors. Interested directors are those who are interested persons of the Company, as defined in the 1940 Act.

The following table sets forth, as of March 14, 2017, certain ownership information with respect to the Company s shares for those persons who may, insofar as is known to us, directly or indirectly own, control or hold with the power to vote, 5% or more of our outstanding common shares and the beneficial ownership of each current Director and executive officers, and the executive officers and Directors as a group. As of March 14, 2017, all Directors and officers as a group owned less than 1% of the Company s outstanding common shares.

Ownership information for those persons, if any, who own, control or hold the power to vote, 5% or more of our shares is based upon Schedule 13D or Schedule 13G filings by such persons with the Securities and Exchange Commission (the   Commission   ) and other information obtained from such persons, if available. Such ownership information is as of the date of the applicable filing and may no longer be accurate.

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Unless otherwise indicated, we believe that each person set forth in the table below has sole voting and investment power with respect to all shares of the Company he or she beneficially owns.

Title of Class	**Name and Address of Beneficial Owner**	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
5% or more holders			
None			
Interested Directors			
Common Stock	Howard M. Levkowitz(1)	140,041	*
Common Stock	Rajneesh Vig	27,750	*
Independent Directors			
Common Stock	Kathleen A. Corbet	—	*
Common Stock	Eric J. Draut	50,532	*
Common Stock	Franklin R. Johnson(2)	20,771	*
Common Stock	Peter E. Schwab	8,500	*
Common Stock	M. Freddie Reiss	25,000	*
Common Stock	Brian F. Wruble	10,000	*
Executive Officers			
Common Stock	Paul L. Davis	9,000	*
Common Stock	Elizabeth Greenwood	1,000	*
Common Stock	Todd Jaquez-Fissori	1,200	*

(1) The amount of beneficial ownership of our shares by Mr. Levkowitz contained herein includes 96,762 shares owned directly, 30,000 shares owned indirectly as Uniform Transfers to Minors Act custodian for minor children and 13,279 shares owned indirectly through the Elayne Levkowitz Individual Retirement Account.

(2) Mr. Johnson is not standing for re-election at the 2017 annual meeting and his term will expire at such meeting.

* Represents less than 1%.

DISTRIBUTIONS

We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. The timing and amount of our quarterly distributions, if any, are determined by our board of directors. Any distributions to our stockholders are declared out of assets legally available for distribution. We intend to pay quarterly distributions to our stockholders in an amount, and on a timely basis, sufficient to obtain and maintain our status as a RIC. There can be no assurances that the Holding Company will have sufficient funds to pay distributions to our stockholders in the future to maintain our status as a RIC.

We are a RIC under the Code. To continue to obtain RIC tax benefits, we generally must distribute at least 90% of our ordinary income and net short-term capital gain in excess of net long-term capital loss, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of (1) 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year, (2) 98.2% of the amount by which our capital gains exceed our capital losses (adjusted for certain ordinary losses) for the one-year period generally ending on October 31 of the calendar year and (3) certain undistributed amounts from previous years on which we paid no U.S. federal income tax. In addition, although we currently intend to distribute net capital gain (i.e., net long-term capital gain in excess of short-term capital loss), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gain for investment. In such event, the consequences of our retention of net capital gain are as described under U.S. Federal Income Tax Matters. We can offer no assurance that the Operating Company will achieve results that will permit the payment of any cash distributions to our stockholders. In addition, the Leverage Program prohibits us from making distributions if doing so would cause us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or the Leverage Program. See Regulation, U.S. Federal Income Tax Matters and Senior Securities in the prospectus.

We maintain an opt in dividend reinvestment plan for our common stockholders. As a result, if we declare a cash dividend or other distribution, stockholders that have not opted in to our dividend reinvestment

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plan will receive cash dividends, rather than having their dividends automatically reinvested in additional shares of our common stock. Stockholders who receive distributions in the form of shares of common stock will be subject to the same federal, state and local tax consequences as if they received cash distributions, but will not have received cash from us with which to pay such taxes. Further, reinvested dividends will increase the gross assets of the Holding Company and the Operating Company on which a management fee and potentially an incentive management fee are payable to our Advisor and the General Partner. See Dividend Reinvestment Plan in this SAI.

DETERMINATION OF NET ASSET VALUE

The net asset value per share of our outstanding shares of common stock is determined quarterly by dividing the fair value of our total assets minus liabilities by the total number of shares of our common stock outstanding at the date as of which the determination is made. The net asset value per share of the Company s common stock is determined on a quarterly basis. The valuation procedures of the Company are described below.

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

Investments for which market quotations are readily available are valued at such market quotations unless the quotations are deemed not to represent fair value. We generally obtain market quotations from recognized exchanges, market quotation systems, independent pricing services or one or more broker-dealers or market makers. However, short term debt investments with remaining maturities within 60 days are generally valued at amortized cost, which approximates fair value. Debt and equity securities for which market quotations are not readily available, which is the case for many of our investments, or for which market quotations are deemed not to represent fair value, are valued at fair value using a consistently applied valuation process in accordance with our documented valuation policy that has been reviewed and approved by our board of directors, who also approve in good faith the valuation of such securities as of the end of each quarter. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the values that we may ultimately realize. In addition, changes in the market environment and other events may have differing impacts on the market quotations used to value some of our investments than on the fair values of our investments for which market quotations are not readily available. Market quotations may be deemed not to represent fair value in certain circumstances where we believe that facts and circumstances applicable to an issuer, a seller or purchaser, or the market for a particular security cause current market quotations to not reflect the fair value of the security. Examples of these events could include cases where a security trades infrequently causing a quoted purchase or sale price to become stale, where there is a forced sale by a distressed seller, where markets quotations vary substantially among market makers, or where there is a wide bid-ask spread or significant increase in the bid-ask spread.

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

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

- Such firms evaluate this information along with relevant observable market data to conduct independent appraisals each quarter, and their preliminary valuation conclusions are documented and discussed with senior management of our Advisor.
- The fair value of smaller investments comprising in the aggregate less than 5% of our total capitalization may be determined by our Advisor in good faith in accordance with our valuation policy without the employment of an independent valuation firm.

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

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

When valuing all of our investments, we strive to maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs refer broadly to the assumptions that market participants would use in pricing an asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of us. Unobservable inputs are inputs that reflect our assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances. See Risks — Risks related to our business — A substantial portion of our portfolio investments may be recorded at fair value as determined in good faith by or under the direction of our board of directors and, as a result, there may be uncertainty regarding the value of our portfolio investments in our prospectus.

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

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

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

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

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

Except to the extent interpretations of the requirements of GAAP change, if for periods after January 1, 2013 we experience cumulative net realized capital gains and unrealized capital appreciation in respect of which incentive compensation has not been paid and cumulative total return in excess of 8%, we would accrue an amount, which would be reflected in our net asset value per share, for the incremental incentive compensation that would be payable to our Advisor or the General Partner if all of such net unrealized capital appreciation were realized.

Determinations in connection with offerings

In connection with certain offerings of shares of our common stock, our board of directors or an authorized committee thereof may be required to make the determination that we are not selling shares of our common

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stock at a price below the then current net asset value of our common stock at the time at which the sale is made. Our board of directors or an authorized committee thereof will consider the following factors, among others, in making such determination:

- the net asset value of our common stock most recently disclosed by us in the most recent periodic report that we filed with the SEC;
- our Advisor's assessment of whether any material change in the net asset value of our common stock has occurred (including through the realization of gains on the sale of our portfolio securities) during the period beginning on the date of the most recently disclosed net asset value of our common stock and ending as of a time within 48 hours (excluding Sundays and holidays) of the sale of our common stock; and
- the magnitude of the difference between (i) a value that our board of directors or an authorized committee thereof has determined reflects the current (as of a time within 48 hours, excluding Sundays and holidays) net asset value of our common stock, which is based upon the net asset value of our common stock disclosed in the most recent periodic report that we filed with the SEC, as adjusted to reflect our Advisor's assessment of any material change in the net asset value of our common stock since the date of the most recently disclosed net asset value of our common stock, and (ii) the offering price of the shares of our common stock in the proposed offering.

Moreover, if such a determination is required to be made and to the extent that there is even a remote possibility that we may (i) issue shares of our common stock at a price below the then current net asset value of our common stock at the time at which the sale is made or (ii) trigger the undertaking (which we provide in certain registration statements we file with the SEC) to suspend the offering of shares of our common stock pursuant to this prospectus if the net asset value of our common stock fluctuates by certain amounts in certain circumstances until the prospectus is amended, our board of directors will elect, in the case of clause (i) above, either to postpone the offering until such time that there is no longer the possibility of the occurrence of such event or to undertake to determine the net asset value of our common stock within two days prior to any such sale to ensure that such sale will not be below our then current net asset value, and, in the case of clause (ii) above, to comply with such undertaking or to undertake to determine the net asset value of our common stock to ensure that such undertaking has not been triggered.

These processes and procedures are part of our compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records that we are required to maintain under the 1940 Act.

DIVIDEND REINVESTMENT PLAN

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

To enroll in the dividend reinvestment plan, each stockholder must notify Wells Fargo Bank, National Association, or Wells Fargo, a Delaware corporation, the plan administrator, in writing so that notice is received by the plan administrator prior to the record date. The plan administrator will then automatically reinvest any dividends in additional shares of our common stock. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has elected to participate in the plan and may hold such shares in non-certificated form under the plan administrator s name or that of its nominee. The number of shares to be issued to a stockholder participating in the plan will be calculated by reference to all shares of common stock owned by such stockholder, whether held in such stockholder s plan account or elsewhere. The plan administrator will confirm to each participant each acquisition made for such participant pursuant to the plan as soon as practicable but not later than 10 business days after the date thereof; provided all shares have been purchased. Upon request by a stockholder participating in the plan received in writing not less than three days prior to the record date, the plan administrator will, instead of crediting shares to and/or carrying shares in the participant s account, issue, without charge to the participant, a certificate registered in the participant s name for the number of whole shares of our common stock payable to the participant and a check for any fractional share. Although each participant may from time to time have an undivided fractional interest (computed to three

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decimal places) in a share of our common stock, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each participant s account.

We will use primarily newly issued shares to implement the plan, whether our shares are trading at a premium or at a discount to net asset value. However, we reserve the right to purchase shares in the open market in connection with our implementation of the plan at a price per share equal to the average price for all shares purchased on the open market pursuant to the plan, including brokerage commissions. The number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the dividend payable to such stockholder by the market price per share of our common stock at the close of regular trading on The Nasdaq Global Select Market on the valuation date fixed by our board of directors for such dividend. Market price per share on that date will be the closing price for such shares on The Nasdaq Global Select Market or, if no sale is reported for such day, the closing price for such shares on The Nasdaq Global Select Market on the last preceding date on which trading took place. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated. Stockholders who do not elect to receive dividends in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium at the time we issue new shares under the plan and dilution if our shares are trading at a discount. The level of accretion or dilution would depend on various factors, including the proportion of our stockholders who participate in the plan, the level of premium or discount at which our shares are trading and the amount of the dividend payable to a stockholder.

There will be no brokerage charges to stockholders with respect to shares of common stock issued directly by us. However, each participant will pay the brokerage commissions incurred in connection with open-market purchases. The plan administrator s fees under the plan will be paid by us. If a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the participant s account and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commissions from the proceeds. There is a $5.00 transaction fee for the net sale proceeds to be direct deposited to a U.S. bank checking or savings account. If you have shares held through a broker, you should contact your broker to participate in the plan.

Stockholders who receive dividends in the form of stock are subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their dividends in cash. A stockholder s basis for determining gain or loss upon the sale of stock received in a dividend from us will be equal to the total dollar amount of the dividend payable to the stockholder. Any stock received in a dividend will have a new holding period for U.S. federal income tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder s account.

Participants may terminate their accounts under the plan by notifying the plan administrator via its website at www.shareowneronline.com, by filling out the transaction request form located at bottom of their statement and sending it to the plan administrator at Wells Fargo Bank, National Association, P.O. Box 64856, St. Paul, MN 55164-0856 or by calling the plan administrator at (800) 468-9716. Such termination will be effective immediately if the participant s notice is received by the plan administrator at least three days prior to any record date; otherwise, such termination will be effective only with respect to any subsequent dividend.

The plan may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any record date for the payment of any dividend by us. All correspondence concerning the plan should be directed to the plan administrator by mail at Wells Fargo Bank, National Association, P.O. Box 64856, St. Paul, MN 55164-0856 or by telephone at (800) 468-9716.

The plan administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under the plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the plan administrator s negligence, bad faith, or willful misconduct or that of its employees or agents.

REGULATION

We have filed an election to be regulated as a BDC under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to transactions between BDCs and their affiliates (including any investment advisors or co-advisors), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than interested persons, as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a BDC unless approved by a majority of our outstanding voting securities , which is defined in the 1940 Act as the lesser of a majority of the outstanding voting securities or 67% or more of the securities voting if a quorum of a majority of the outstanding voting securities is present. However, none of our investment policies are fundamental and any may be changed without stockholder approval.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an underwriter as that term is defined in the Securities Act of 1933, or the Securities Act. We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except for registered money market funds we generally cannot acquire more than 3% of the voting stock of any investment company, invest more than 5% of the value of our total assets in the securities of any single investment company or invest more than 10% of the value of our total assets in the securities of all of the investment companies in which we invest. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments might indirectly subject our stockholders to additional expenses as they will indirectly be responsible for the costs and expenses of such companies. Pursuant to the 1940 Act, our investment in the Operating Company is not subject to these limits because, among other reasons, (i) the Operating Company is our sole investment and (ii) we pass-through our votes on Operating Company matters to our stockholders and vote all of our interests in the Operating Company in the same proportion and manner as our stockholders vote their common stock on such matters.

Qualifying assets

Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the Company s total assets. The principal categories of qualifying assets relevant to our business are the following:

- Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:
- is organized under the laws of, and has its principal place of business in, the United States;
- is not an investment company (other than a small business investment company wholly-owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and
- satisfies either of the following:
  - has a market capitalization of less than $250 million or does not have any class of securities listed on a national securities exchange; or
  - is controlled by a BDC or a group of companies including a BDC, the BDC actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result thereof, the BDC has an affiliated person who is a director of the eligible portfolio company.
- Securities of any eligible portfolio company which we control.
- Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing

arrangements.

- Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

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- Securities received in exchange for or distributed on or with respect to securities described above, or pursuant to the exercise of warrants or rights relating to such securities.
- Cash, cash equivalents, U.S. Government securities or high-quality debt securities maturing in one year or less from the time of investment.

Small Business Administration Regulations

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

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

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

Small business investment companies are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses include businesses that have a tangible net worth not exceeding $19.5 million and have average annual fully taxed net income not exceeding $6.5 million for the two most recent fiscal years. In addition, a small business investment company must devote 25% of its investment activity to smaller concerns as defined by the SBA. A smaller concern is one that has a tangible net worth not exceeding $6.0 million and has average annual fully taxed net income not exceeding $2.0 million for the two most recent fiscal years. SBA regulations also provide alternative size standard criteria to determine eligibility, which depend on the industry in which the business is engaged and are based on such factors as the number of employees and gross sales. According to SBA regulations, small business investment companies may make long-term loans to small businesses, invest in the equity securities of such businesses and provide them with consulting and advisory services. We plan to provide long-term loans to qualifying small businesses, and in connection therewith, make equity investments.

We are subject to periodic examination and audit by the Small Business Administration s staff to determine our compliance with small business investment company regulations.

Managerial assistance to portfolio companies

A BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in Regulation — Qualifying assets above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70% test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of

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the securities significant managerial assistance. Where the BDC purchases such securities in conjunction with one or more other persons acting together, the BDC will satisfy this test if one of the other persons in the group makes available such managerial assistance, although reliance on other investors may not be the sole method by which the BDC satisfies the requirement to make available managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its investment manager, directors, officers or employees, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company.

Temporary investments

Pending investment in other types of qualifying assets, as described above, our investments may consist of cash, cash equivalents, U.S. Government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments. Typically, we will invest in highly rated commercial paper, U.S. Government agency notes, U.S. Treasury bills or in repurchase agreements relating to such securities that are fully collateralized by cash or securities issued by the U.S. Government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. Consequently, repurchase agreements are functionally similar to fully collateralized short-term loans. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, the 1940 Act and certain diversification tests in order to qualify as a RIC for federal income tax purposes will typically require us to limit the amount we invest with any one counterparty. Our Advisor will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior securities

We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any preferred stock or publicly traded debt securities are outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see Risks — Risks related to our operations as a BDC in our prospectus.

Selling below NAV

We may sell our common stock, subscription rights, warrants, options or rights to acquire our common stock, at a price below the current net asset value of our common stock in certain circumstances, including if (i)(1) the holders of a majority of our shares (or, if less, at least 67% of a quorum consisting of a majority of our shares) and a similar majority of the holders of our shares who are not affiliated persons of us approve the sale of our common stock at a price that is less than the current net asset value, and (2) a majority of our Directors who have no financial interest in the transaction and a majority of our independent Directors (a) determine that such sale is in our and our stockholders best interests and (b) if the sale is a sale of shares of common stock, in consultation with any underwriter or underwriters of the offering, make a good faith determination as of a time either immediately prior to the first solicitation by us or on our behalf of firm commitments to purchase such shares, or immediately prior to the issuance of such shares, that the price at which such shares are to be sold is not less than a price which closely approximates the market value of such shares, less any distributing commission or discount and (3) if the sale is a sale of long term rights, warrants or options, the exercise or conversion price is not less than market value of the common stock at the time of the issuance of such rights, warrants or options or if (ii) a majority of the number of the beneficial holders of our common stock entitled to vote at the annual meeting, without regard to whether a majority of such shares are voted in favor of the proposal, approve the sale of our common stock at a price that is less than the current net asset value per share.

Code of ethics

The Holding Company and the Operating Company have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to each code may invest in securities for their personal investment

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accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code s requirements. You may read and copy the code of ethics at the SEC s Public Reference Room in Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. In addition, the code of ethics is attached as an exhibit to the registration statement of which this SAI is a part, and is available on the IDEA Database on the SEC s Internet site at http://www.sec.gov. You may also obtain copies of the code of ethics, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC s Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. You may also access the codes of ethics by going to our website at http://investors.tcpcapital.com/.

Proxy voting policies and procedures

We have delegated our proxy voting responsibility to our Advisor. The Proxy Voting Policies and Procedures of our Advisor are set forth below. The guidelines are reviewed periodically by our Advisor and our independent directors, and, accordingly, are subject to change.

Introduction

As an investment advisor registered under the Investment Advisers Act of 1940 (the Advisers Acts), our Advisor has a fiduciary duty to act solely in our best interests and in the best interests of our stockholders. As part of this duty, our Advisor recognizes that it must vote client securities in a timely manner free of conflicts of interest and in our best interests and the best interests of our stockholders. Our Advisor s Proxy Voting Policies and Procedures have been formulated to ensure decision-making consistent with these fiduciary duties.

These policies and procedures for voting proxies for our investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy policies

Our Advisor evaluates routine proxy matters, such as proxy proposals, amendments or resolutions on a case-by-case basis. Routine matters are typically proposed by management and our Advisor will normally support such matters so long as they do not measurably change the structure, management control, or operation of the corporation and are consistent with industry standards as well as the corporate laws of the state of incorporation.

Our Advisor also evaluates non-routine matters on a case-by-case basis. Non-routine proposals concerning social issues are typically proposed by stockholders who believe that the corporation s internally adopted policies are ill-advised or misguided. If our Advisor has determined that management is generally socially responsible, our Advisor will generally vote against these types of non-routine proposals. Non-routine proposals concerning financial or corporate issues are usually offered by management and seek to change a corporation s legal, business or financial structure. Our Advisor will generally vote in favor of such proposals provided the position of current stockholders is preserved or enhanced. Non-routine proposals concerning stockholder rights are made regularly by both management and stockholders. They can be generalized as involving issues that transfer or realign board or stockholder voting power. Our Advisor typically would oppose any proposal aimed solely at thwarting potential takeovers by requiring, for example, super-majority approval. At the same time, our Advisor believes stability and continuity promote profitability. Our Advisor s guidelines in this area seek a middle road and individual proposals will be carefully assessed in the context of their particular circumstances.

Proxy voting records

You may obtain information about how we voted proxies by making a written request for proxy voting information to:

Tennenbaum Capital Partners, LLC
Attention: Investor Relations
2951 28th Street, Suite 1000
Santa Monica, California 90405

No-Action Relief from Registration as a Commodity Pool Operator.

The Holding Company and the Operating Company each are relying on a no-action letter (the No-Action Letter) issued by the staff of the Commodity Futures Trading Commission (the CFTC) as a basis to avoid registration with the CFTC as a commodity pool operator (CPO). The No-Action Letter allows an entity to

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engage in CFTC-regulated transactions (commodity interest transactions) that are bona fide hedging transactions (as that term is defined and interpreted by the CFTC and its staff), but prohibit an entity from entering into commodity interest transactions if they are non-bona fide hedging transactions, unless immediately after entering such non-bona fide hedging transaction (a) the sum of the amount of initial margin deposits on the entity s existing futures or swaps positions and option or swaption premiums does not exceed 5% of the market value of the entity s liquidation value, after taking into account unrealized profits and unrealized losses on any such transactions, or (b) the aggregate net notional value of the entity s commodity interest transactions would not exceed 100% of the market value of the entity s liquidation value, after taking into account unrealized profits and unrealized losses on any such transactions. Both the Holding Company and the Operating Company are required to operate pursuant to these trading restrictions if they intend to continue to rely on the No-Action Letter as a basis to avoid CPO registration.

Other

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, issue and sell our common stock, at a price below the current net asset value of the common stock, or issue and sell warrants, options or rights to acquire such common stock, at a price below the current net asset value of the common stock if our board of directors determines that such sale is in our best interest and in the best interests of our stockholders, and our stockholders have approved our policy and practice of making such sales within the preceding 12 months. At our 2016 annual meeting, held on May 19, 2016, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering, our stockholders approved our ability to sell or otherwise issue shares of our common stock at any level of discount from net asset value per share for a twelve month period expiring on the anniversary of the date of stockholder approval. We intend to seek stockholder approval at our 2017 annual meeting to continue for an additional year our ability to issue shares of common stock below net asset value, subject to the condition that the maximum number of shares salable below net asset value pursuant to this authority in any particular offering that could result in such dilution is limited to 25% of our then outstanding common stock immediately prior to each such offering. In any such case, the price at which our securities are to be issued and sold may not be less than a price which, in the determination of our board of directors, closely approximates the market value of such securities.

We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our board of directors who are not interested persons and, in some cases, prior approval by the SEC.

We are subject to periodic examination by the SEC for compliance with the 1940 Act.

We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person s office.

BROKERAGE ALLOCATIONS AND OTHER PRACTICES

Subject to the supervision of the board of directors, decisions to buy and sell securities and bank debt for the Company and decisions regarding brokerage commission rates are made by our Advisor. Transactions on stock exchanges involve the payment by the Company of brokerage commissions. In certain instances the Company may make purchases of underwritten issues at prices which include underwriting fees.

In selecting a broker to execute each particular transaction, our Advisor will take the following into consideration: the best net price available; the reliability, integrity and financial condition of the broker; the size and difficulty in executing the order, and the value of the expected contribution of the broker to the investment performance of the Company on a continuing basis. Accordingly, the cost of the brokerage commissions to the Company in any transaction may be greater than that available from other brokers if the difference is reasonably justified by other aspects of the portfolio execution services offered. The aggregate amount of brokerage commission paid by the Company over the previous three fiscal years was $0.0 million. The extent to which our Advisor makes use of statistical, research and other services furnished by brokers may be considered by our Advisor in the allocation of brokerage business, but there is not a formula by which such business is allocated. Our Advisor does so in accordance with its judgment of the best interests of the Company and its stockholders.

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One or more of the other investment funds or accounts which our Advisor manages may own from time to time some of the same investments as the Company. When two or more companies or accounts seek to purchase or sell the same securities, the securities actually purchased or sold and any transaction costs will be allocated among the companies and accounts on a good faith equitable basis by our Advisor in its discretion in accordance with the accounts various investment objectives, subject to the allocation procedures adopted by the board of directors related to privately placed securities (including an implementation of any co-investment exemptive relief obtained by the Company and our Advisor). In some cases, this system may adversely affect the price or size of the position obtainable for the Company. In other cases, however, the ability of the Company to participate in volume transactions may produce better execution for the Company. It is the opinion of the board of directors that this advantage, when combined with the other benefits available due to our Advisor s organization, outweighs any disadvantages that may be said to exist from exposure to simultaneous transactions.

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PART C — OTHER INFORMATION

ITEM 25. FINANCIAL STATEMENTS AND EXHIBITS

(1) Financial Statements

The following statements of the Company are included in Part A of this Registration Statement:

TCP Capital Corp.

Annual Audited Financial Statements

Special Value Continuation Partners, LP

Annual Audited Financial Statements

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(2) Exhibits

Exhibit No.	Description
(a)	Articles of Incorporation of the Registrant[2]
(b)	Bylaws of the Registrant[3]
(c)	Not Applicable
(d)(1)	Form of Indenture[15]
(d)(2)	Statement of Eligibility of Trustee on Form T-1[1]
(d)(3)	Form of Certificate of Designation for Preferred Stock[16]
(e)	Form of Dividend Reinvestment Plan[8]
(f)	Not Applicable
(g)	Form of Investment Management Agreement By and Between Registrant and Tennenbaum Capital Partners, LLC[7]
(h)(1)	Form of Underwriting Agreement[22]
(i)	Not Applicable
(j)	Custodial Agreement dated as of July 31, 2006[4]
(k)(1)	Form of Administration Agreement of the Registrant[7]
(k)(2)	Form of Transfer Agency and Registrar Services Agreement[8]
(k)(3)	Form of License Agreement[8]
(k)(4)	Credit Agreement dated July 31, 2006[5]
(k)(5)	First Amendment to Credit Agreement dated February 28, 2011[6]
(k)(6)	Form of Amended and Restated Partnership Agreement of Special Value Continuation Partners, LP[7]
(k)(7)	Indenture, dated as of June 17, 2014, by and between the Registrant and U.S. Bank National Association, as the Trustee[17]
(k)(8)	Form of Global Note of 5.25% Convertible Senior Notes due 2019 (included as part of Exhibit (k)(7))[17]
(k)(9)	Indenture, dated as of September 6, 2016, by and between the Registrant and U.S. Bank National Association, as the Trustee[21]
(k)(10)	Form of Global Note of 4.625% Convertible Senior Notes due 2022 (included as part of Exhibit (k)(9))[21]
(k)(11)	Form of Amended and Restated Investment Management Agreement By and Between Special Value Continuation Partners, LP and Tennenbaum Capital Partners, LLC[7]
(k)(12)	Form of Administration Agreement of Special Value Continuation Partners, LP[7]
(k)(13)	Form of Second Amendment to Credit Agreement dated September 18, 2013[9]
(k)(14)	Form of Loan Financing and Servicing Agreement, dated as of May 15, 2013, by and among TCPC Funding I, LLC, as borrower, each lender and agent from time to time party thereto, Deutsche Bank AG, New York Branch, as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and collateral custodian[10]
(k)(15)	Form of Amendment No. 1 to Loan Financing and Servicing Agreement, dated as of August 13, 2013, by and among TCPC Funding I, LLC, as borrower, each lender and agent from time to time party thereto, Deutsche Bank AG, New York Branch, as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and collateral custodian[11]
(k)(16)	

	Form of Amendment No. 2 to Loan Financing and Servicing Agreement, dated as of September 10, 2013, by and among TCPC Funding I, LLC, as borrower, each lender and agent from time to time party thereto, Deutsche Bank AG, New York Branch, as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and collateral custodian[12]
(k)(17)	Form of Sale and Contribution Agreement, dated as of May 15, 2013, by and between Special Value Continuation Partners, LP and TCPC Funding I, LLC[10]
(k)(18)	Form of Amendment No. 3 to Loan Financing and Servicing Agreement, dated as of February 19, 2014, by and among TCPC Funding I, LLC, as borrower, each lender and agent from time to time party thereto, Deutsche Bank AG, New York Branch, as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and collateral custodian[13]

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Exhibit No.	Description
(k)(19)	Form of Amendment No. 4 to Loan Financing and Servicing Agreement, dated as of June 9, 2014, by and among TCPC Funding I, LLC, as borrower, each lender and agent from time to time party thereto, Deutsche Bank AG, New York Branch, as administrative agent, and Wells Fargo Bank, National Association, as collateral agent and collateral custodian[18]
(k)(20)	Form of Third Amendment to Credit Agreement, dated as of September 3, 2015 entered into by and among Special Value Continuation Partners, a Delaware limited partnership, Wells Fargo Securities LLC (f/k/a Wachovia Capital Markets, LLC), as administrative agent and arranger, and various financial institutions, as lenders[20]
(l)(1)	Opinion and Consent of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Registrant[22]
(m)	Not Applicable
(n)(1)	Consent of Deloitte & Touche LLP[1]
(n)(2)	Consent of Ernst & Young LLP[1]
(n)(3)	Report of Deloitte & Touche LLP on the Senior Securities table[1]
(n)(4)	Report of Ernst & Young LLP on the Senior Securities table[19]
(n)(5)	Power of Attorney[1]
(o)	Not Applicable
(p)	Not Applicable
(q)	Not Applicable
(r)	Consolidated Code of Ethics of the Registrant and our Advisor[8]
99.1	Form of Preliminary Prospectus Supplement For Common Stock Offerings[1]
99.2	Form of Preliminary Prospectus Supplement For Preferred Stock Offerings[1]
99.3	Form of Preliminary Prospectus Supplement For Debt Offerings[1]
99.4	Form of Preliminary Prospectus Supplement For Subscription Rights Offerings[1]
99.5	Form of Preliminary Prospectus Supplement For Warrant Offerings[1]

(1) Filed herewith.

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

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

(4) Incorporated by reference to Exhibit 10.2 to Form 10-12G of Special Value Continuation Partners, LP (File No. 000-54393), filed May 6, 2011.

(5) Incorporated by reference to Exhibit 10.5 to Form 10-12G of Special Value Continuation Partners, LP (File No. 000-54393), filed May 6, 2011.

(6) Incorporated by reference to Exhibit 10.6 to Form 10-12G of Special Value Continuation Partners, LP (File No. 000-54393), filed May 6, 2011.

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

(8) Incorporated by reference to the corresponding exhibit number to the Registrant's Registration Statement under the Securities Act of 1933 (File No. 333-172669), on Form N-2, filed on March 5, 2012.

(9) Incorporated by reference to Exhibit 10.01 of the Registrant's Form 8-K filed on September 19, 2013.

(10) Incorporated by reference to Exhibits 10.01 and 10.02 of the Registrant's Form 8-K filed on May 17, 2013.

(11) Incorporated by reference to Exhibit 10.02 of the Registrant's Form 8-K filed on September 10, 2013.

(12) Incorporated by reference to Exhibit 10.01 of the Registrant’s Form 8-K filed on September 10, 2013.

(13) Incorporated by reference to Exhibit 10.01 of the Registrant’s Form 8-K filed on February 21, 2014.

(14) Incorporated by reference to the corresponding exhibit number to the Registrant’s Registration Statement under the Securities Act of 1933 (File No. 333-194669), on Form N-2, filed on March 19, 2014.

(15) Incorporated by reference to the corresponding exhibit number to the Registrant’s Registration Statement under the Securities Act of 1933 (File No. 333-194669), on Form N-2, filed on May 8, 2014.

(16) Incorporated by reference to the corresponding exhibit number to the Registrant’s Registration Statement under the Securities Act of 1933 (File No. 333-194669), on Form N-2, filed on June 5, 2014.

(17) Incorporated by reference to Exhibit 4.1 of the Registrant’s Form 8-K filed on June 17, 2014.

(18) Incorporated by reference to Exhibit 10.01 of the Registrant’s Form 8-K filed on June 9, 2014.

(19) Incorporated by reference to the corresponding exhibit number to the Registrant’s Registration Statement under the Securities Act of 1933 (File No. 333-204571), on Form N-2, filed on May 29, 2015.

(20) Incorporated by reference to Exhibit 10.01 of the Registrant’s Form 8-K filed on September 8, 2015.

(21) Incorporated by reference to Exhibit 4.1 of the Registrant’s Form 8-K filed on September 6, 2016.

(22) To be filed by amendment.

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ITEM 26. MARKETING ARRANGEMENTS

The information contained under the heading Plan of Distribution on this Registration Statement is incorporated herein by reference and any information concerning any underwriters will be contained in the accompanying prospectus supplement, if any.

ITEM 27. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION**

Commission registration fee	$ 69,540
Nasdaq Global Select Additional Listing Fees	65,000
FINRA filing fee	90,500
Accounting fees and expenses	150,000
Legal fees and expenses	300,000
Printing and engraving	150,000
Miscellaneous fees and expenses	50,000
Total	$ 875,040

** These amounts (other than the commission registration fee, Nasdaq fee and FINRA fee) are estimates.

All of the expenses set forth above shall be borne by the Company.

ITEM 28. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL

The Registrant owns 100% of the common limited partnership interests in the Operating Company, a Delaware limited partnership.

ITEM 29. NUMBER OF HOLDERS OF SECURITIES

The following table sets forth the number of record holders of our common stock at March 14, 2017.

Title of Class	Number of Record Holders
Common Stock, par value $.001 per share	29

ITEM 30. INDEMNIFICATION

The information contained under the heading Description of Our Capital Stock is incorporated herein by reference.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the Securities Act) may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person in the successful defense of an action suit or proceeding) is asserted by a director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is again public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant carries liability insurance for the benefit of its directors and officers (other than with respect to claims resulting from the willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office) on a claims-made basis.

The Registrant has agreed to indemnify the underwriters against specified liabilities for actions taken in their capacities as such, including liabilities under the Securities Act.

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ITEM 31. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISOR

For information as to the business, profession, vocation or employment of a substantial nature of each of the officers and directors of our Advisor, reference is made to our Advisor s Form ADV, filed with the Securities and Exchange Commission under the Investment Advisers Act of 1940, and incorporated herein by reference upon filing.

ITEM 32. LOCATION OF ACCOUNTS AND RECORDS

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

(1) the Registrant, 2951 28th Street, Suite 1000, Santa Monica, CA 90405;

(2) the Transfer Agent, Wells Fargo Bank, National Association, 161 North Concord Exchange, South Saint Paul, MN 55075;

(3) the Custodian, Wells Fargo Bank, National Association, 9062 Old Annapolis Rd., Columbia, MD 21045-1951; and

(4) our Advisor, 2951 28th Street, Suite 1000, Santa Monica, CA 90405. Our Advisor’s telephone number is (310) 566-1094, and its facsimile number is (310) 566-1010.

ITEM 33. MANAGEMENT SERVICES

Not Applicable.

ITEM 34. UNDERTAKINGS

1. The Registrant undertakes to suspend the offering of shares until the prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of the registration statement; or (2) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

2. The Registrant undertakes:

(a) to file, during any period in which offers or sales are being made, a post-effective amendment to the registration statement:

(1) to include any prospectus required by Section 10(a)(3) of the 1933 Act;

(2) to reflect in the prospectus any facts or events after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(3) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(b) that, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof;

(c) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;

(d) that, for the purpose of determining liability under the 1933 Act to any purchaser, each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the 1933 Act as part of a registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the 1933 Act, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a

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time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and

(e) that, for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities: The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser: (1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the 1933 Act; (2) the portion of any advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and (3) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Monica, in the State of California, on the 15th day of March 2017.

TCP CAPITAL CORP.

By: /s/ Howard M. Levkowitz
Howard M. Levkowitz
Chief Executive Officer, Chairman of the Board and Director

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form N-2 has been signed by the following persons in the capacities indicated on the 15th day of March 2017. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

Signature	Title
/s/ Howard M. Levkowitz Howard M. Levkowitz	Chief Executive Officer, Chairman of the Board and Director (principal executive officer)
/s/ Paul L. Davis* Paul L. Davis	Chief Financial Officer (principal financial and accounting officer)
/s/ Kathleen A. Corbet* Kathleen A. Corbet	Director
/s/ Eric Draut* Eric Draut	Director
/s/ Franklin R. Johnson* Franklin R. Johnson	Director
/s/ M. Freddie Reiss* M. Freddie Reiss	Director
/s/ Peter E. Schwab* Peter E. Schwab	Director
/s/ Rajneesh Vig* Rajneesh Vig	Director

/s/ Brian F. Wruble*	Director
Brian F. Wruble	

*By: /s/ Howard M. Levkowitz

Howard M. Levkowitz,
as Attorney-in-Fact

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SIGNATURES

The undersigned has duly caused this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Monica, in the State of California, on the 15^{th} day of March 2017.

SPECIAL VALUE CONTINUATION PARTNERS, LP

By: /s/ Howard M. Levkowitz
Howard M. Levkowitz
Chief Executive Officer, Chairman of the Board and Director

This Registration Statement has been signed by the following persons in the capacities indicated on the 15^{th} day of March 2017. This document may be executed by the signatories hereto on any number of counterparts, all of which constitute one and the same instrument.

Signature	Title
/s/ Howard M. Levkowitz Howard M. Levkowitz	Chief Executive Officer, Chairman of the Board and Director (principal executive officer)
/s/ Paul L. Davis* Paul L. Davis	Chief Financial Officer (principal financial and accounting officer)
/s/ Kathleen A. Corbet* Kathleen A. Corbet	Director
/s/ Eric Draut* Eric Draut	Director
/s/ Franklin R. Johnson* Franklin R. Johnson	Director
/s/ M. Freddie Reiss* M. Freddie Reiss	Director
/s/ Peter E. Schwab* Peter E. Schwab	Director
/s/ Rajneesh Vig* Rajneesh Vig	Director

/s/ Brian F. Wruble*	Director
Brian F. Wruble	

*By: /s/ Howard M. Levkowitz

Howard M. Levkowitz,
as Attorney-in-Fact

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INDEX TO EXHIBITS

Exhibit No.	Description
(d)(2)	Statement of Eligibility of Trustee on Form T-1[1]
(n)(1)	Consent of Deloitte & Touche LLP[1]
(n)(2)	Consent of Ernst & Young LLP[1]
(n)(3)	Report of Deloitte & Touche LLP on the Senior Securities table[1]
(n)(5)	Power of Attorney[1]
99.1	Form of Preliminary Prospectus Supplement For Common Stock Offerings[1]
99.2	Form of Preliminary Prospectus Supplement For Preferred Stock Offerings[1]
99.3	Form of Preliminary Prospectus Supplement For Debt Offerings[1]
99.4	Form of Preliminary Prospectus Supplement For Subscription Rights Offerings[1]
99.5	Form of Preliminary Prospectus Supplement For Warrant Offerings[1]

(1) Filed herewith.