



TCP CAPITAL CORP.



Wells Fargo Middle Market Forum November 2015

Howard Levkowitz

Chairman & CEO, TCP Capital Corp.

Managing Partner & Co-Founder,
Tennenbaum Capital Partners

Disclosure

Prospective investors considering an investment in TCP Capital Corp. should consider the investment objectives, risks and expenses of the Company carefully before investing. This information and other information about the Company are available in the Company's filings with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website at www.sec.gov and the Company's website at <http://www.tcpcapital.com>. Prospective investors should read these materials carefully before investing.

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Overview

External Manager – Tennenbaum Capital Partners (“Tennenbaum”)

Externally Managed by Tennenbaum

Over \$6 billion in capital under management by a leading alternative investment manager

19-year scaled national platform focused on middle-market credit investing

\$15+ billion invested across 400+ companies

Long-term relationships with sponsors and deal sources

Experienced Team with Diverse Skills

19 industry-focused verticals with senior experienced professionals investing across asset classes

80+ team members, plus an Advisory Board of senior operating executives

North America-focused, regional coverage with offices in Los Angeles (HQ), New York and San Francisco

In-house legal expertise with significant experience protecting creditors' rights

Tennenbaum

Over \$6 billion of committed capital under management⁽¹⁾

Registered Fund

TCP Capital Corp.
(NASDAQ: TCPC)
Publicly-traded BDC

Private Institutional Vehicles

(1) As of September 30, 2015.



TCP Capital Corp. (“TCPC”) Highlights

Leading Non-Bank Direct Lender

Leading specialty finance company focused on senior secured lending primarily to established middle-market companies

\$1.3 billion diversified portfolio value with 91 portfolio companies⁽¹⁾

Consistent Dividends with Strong Dividend Coverage

Dividends covered every quarter since inception

9.5% current dividend yield⁽²⁾

Low Cost Leverage & Shareholder Friendly Structure

Best-in-class fee structure

\$750 million diversified and low-cost leverage program

2.96% average interest rate

(1) As of 9/30/2015

(2) Based on a closing price of \$15.13 as of 11/9/2015.



Best-In-Class Advisory Fee Structure

	Typical Externally Managed BDCs ⁽¹⁾	TCP Capital Corp.
Base Management Fee	<ul style="list-style-type: none"> 1.5% - 2.0% on gross assets 	<ul style="list-style-type: none"> 1.5% on gross assets (less cash and cash equivalents)
Incentive Fee Hurdle	<ul style="list-style-type: none"> 2.00% quarterly return on NAV 	<ul style="list-style-type: none"> 2.00% quarterly return on NAV
Incentive Compensation	<ul style="list-style-type: none"> Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation Ordinary Income: 20% subject to quarterly hurdle rate calculated quarterly 	<ul style="list-style-type: none"> Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative (infinite), annualized 8% total return</u> hurdle Ordinary Income: 20% subject to a <u>cumulative (infinite), annualized 8.0% total return</u> hurdle
		<ul style="list-style-type: none"> ✓ Subject to cumulative high water mark

(1) Source: SEC filings.



Diversified Sources of Funding

As of September 30, 2015

Source	Capacity	Drawn Amount	Pricing	Maturity
Current leverage:				
■ TCPC Funding I Credit Facility	\$350mm	\$221mm	L + 2.50% ⁽¹⁾	Mar-20
■ SVCP Credit Facility	\$116mm	\$109mm	L + 1.75%	Jul-18
■ Term Loan	\$101mm	\$101mm	L + 1.75%	Jul-18
■ SBA Leverage Program	\$75mm ⁽²⁾	\$39mm	2.84% ⁽³⁾	2024/2025
■ Convertible Senior Unsecured Notes	\$108mm	\$106mm	5.25%	Dec-19
Weighted-average interest rate			<u>2.96%</u>	

- The Company is rated BBB- by Standard & Poor's with outlook stable
- Demonstrated access to equity markets:
 - Six equity capital raises (including the IPO) totaling \$526mm
 - All follow-on offerings above NAV

(1) Or L + 2.25% subject to certain draw requirements.

(2) Anticipated total SBA leverage of \$150 million.

(3) Weighted average interest rate excluding fees of 0.36%.

Dividend Stability

- Net investment income⁽¹⁾ of \$0.40 per share, out-earning dividend by \$0.04
 - Quarterly dividend of \$0.36 per share paid on September 30, 2015
- Declared Q4 2015 regular quarterly dividend of \$0.36 per share
 - Payable on December 31, 2015 to holders of record as of December 17, 2015

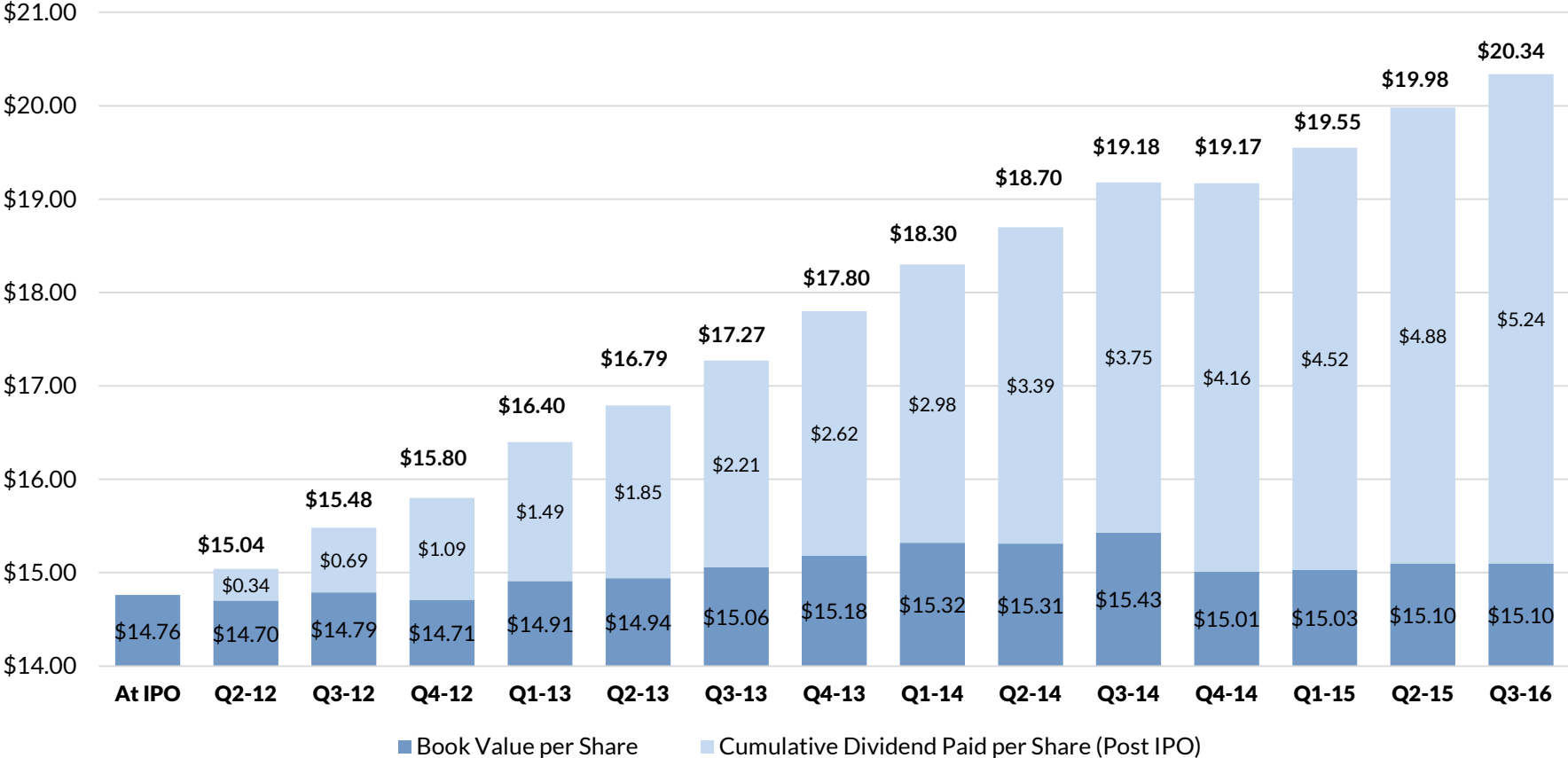
Per Share	2012 ⁽²⁾			2013				2014				2015				ITD Total
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Regular dividend	0.34	0.35	0.35	0.35	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	5.35
Net investment income	0.40	0.43	0.59	0.49	0.38	0.40	0.38	0.39	0.40	0.38	0.38	0.37	0.44	0.40		
Regular Dividend Coverage	118%	123%	169%	140%	104%	110%	106%	107%	111%	104%	106%	103%	122%	110%		
Special dividend			0.05	0.05			0.05		0.05		0.05					0.25

(1) After preferred dividends and incentive compensation on net investment income.

(2) Incentive fees were waived prior to January 1, 2013.

Strong Track Record of Positive Performance

Book Value per Share and Dividends Paid



Investment Strategy & Focus

Return Focus

- Primarily current cash income with additional return from origination and structuring fees
- Potential capital appreciation
- Potential upside through equity participation

Investment Focus

- Directly originated and newly originated leveraged loans and, to a lesser extent, secondary-market purchases
- Complex situations requiring specialized industry knowledge
- Principal protection

Leveraged Loans

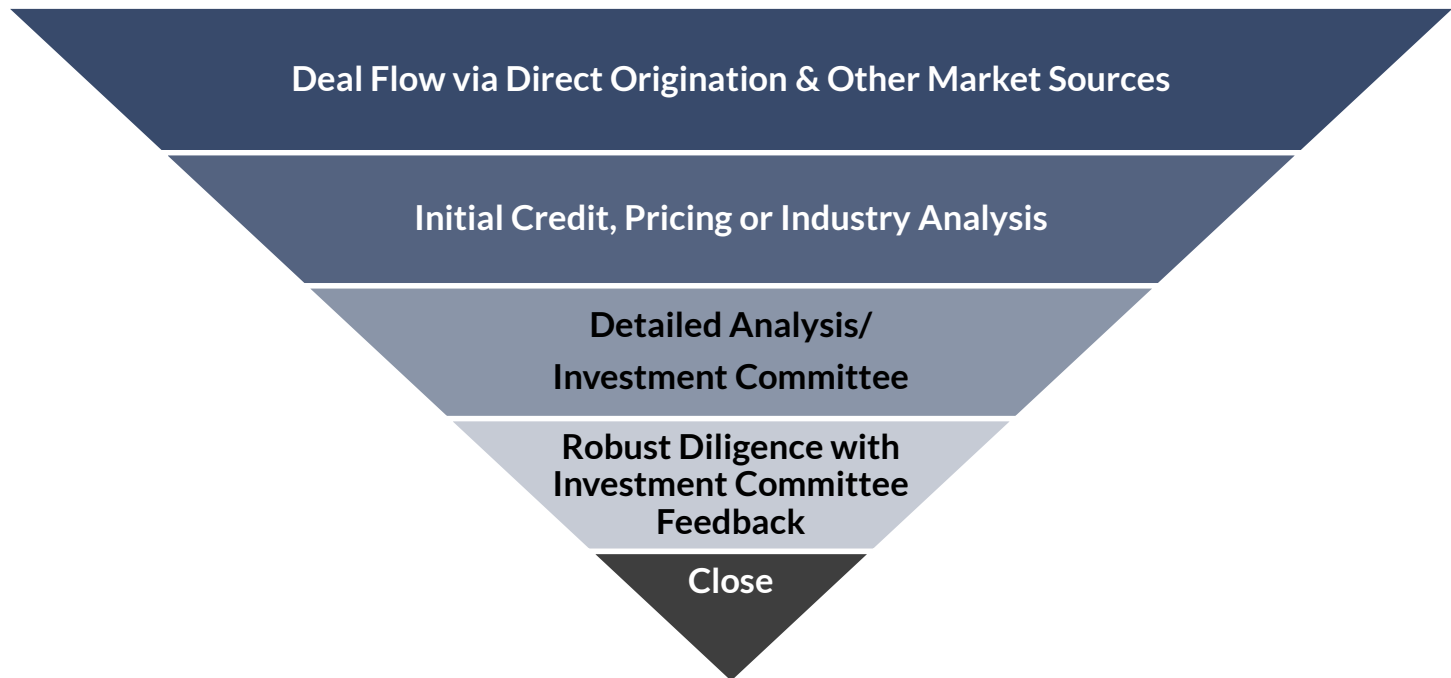
- Focused on direct origination of senior secured loans to stable middle-market borrowers:
- Contractual first claim ahead of subordinated debt and equity
 - Assets pledged as collateral
 - Interest payments typically floating rate

Investment Size

- Generally \$10 to \$40 million; average investment size \$14 million
- May grow through time with capital base

Extensive Sourcing Capabilities

- Capabilities allow us to source across all channels, which serves to enhance risk/return
- Benefit from a wide and deep sourcing network built over 19 years
- Sourcing reflects strategy, differing from many of the 'bank-like' models
- Over 30 investment professionals – each deal team works on a deal from origination to closing



Middle-Market Credit Overview

- Middle-market lending is increasingly dominated by non-traditional lenders as banks continue a secular shift away from the market

Why have banks retreated from the market?

Regulatory Changes

- Dodd Frank / Volcker Rule
- Basel III
- Stress tests (annual and mid-year)
- FDIC assessment fees
- Leveraged lending guidelines / Shared National Credits Program



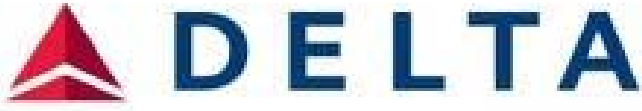
Consequences for the Banks

- Increased regulatory restrictions, reporting / audits and enforcement
- Increased capital ratios and liquidity required
- Reduced leverage and increased costs lead to lower ROE
- Lower growth prospects
- Restrictions on lending activities including more stringent underwriting criteria

Banks have retreated from middle-market lending...

.... As the market continues to grow post-crisis

Aircraft Financings



* Case studies provide examples of investments made by TCPC and its investment process and approach. Not all investments following this process and approach have been profitable and there can be no guarantee that the investments profiled will be profitable. Additional information regarding all of TCPC's investments is available in its public filings.

Diversity of Portfolio

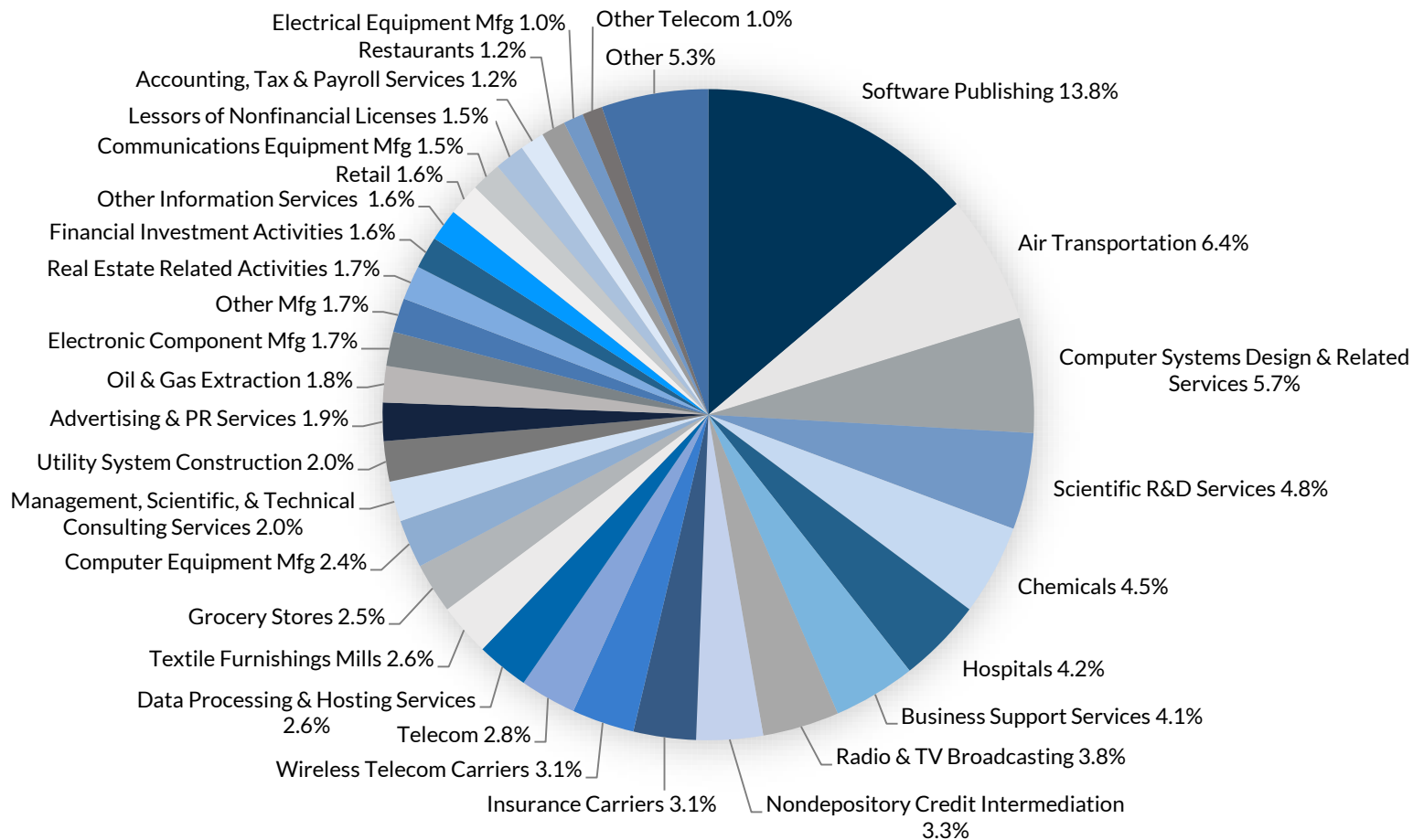


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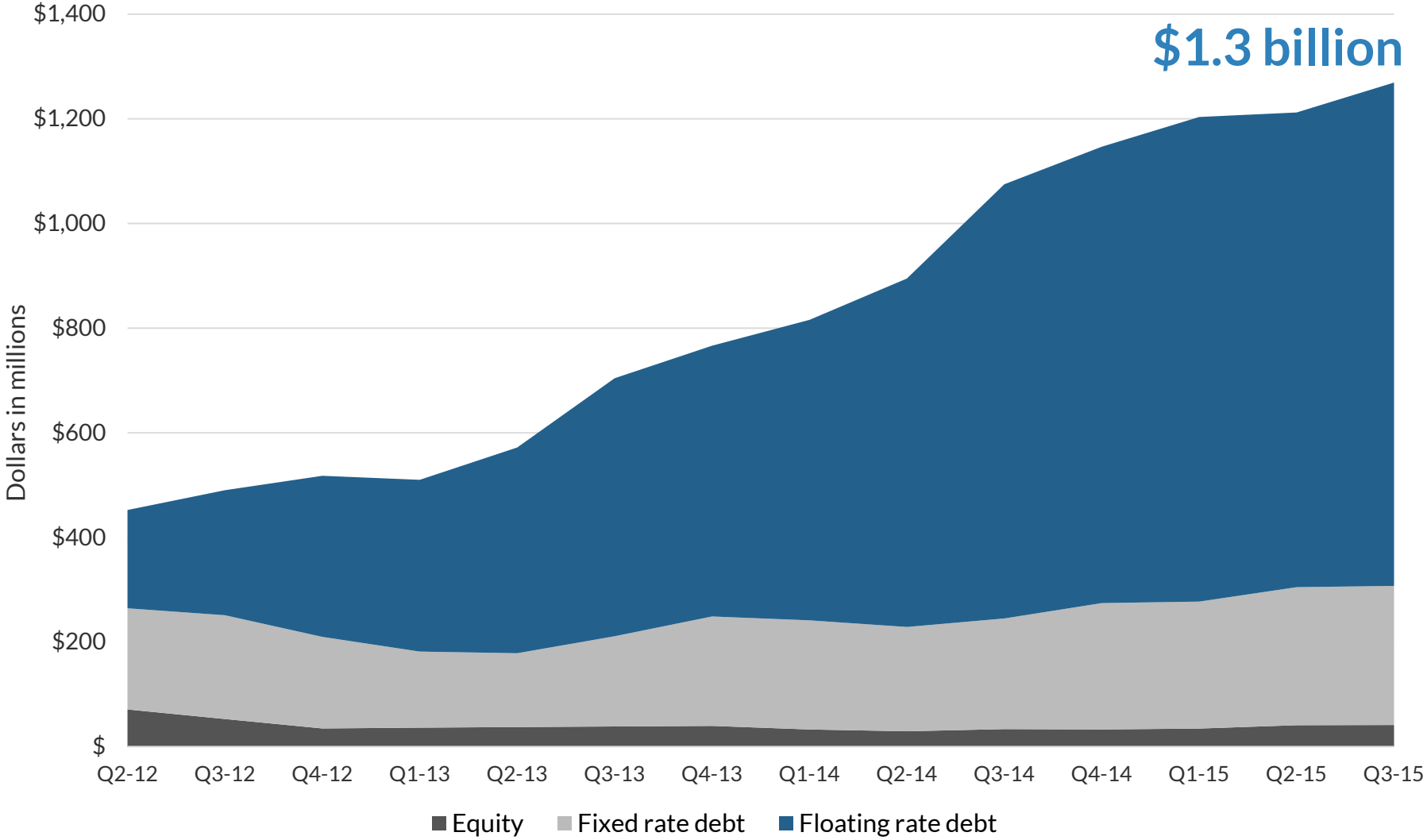
Portfolio and Financial Review

Portfolio Highlights as of September 30, 2015

- \$1.3 billion portfolio fair value
- 78% of debt portfolio is floating rate
- 97% of portfolio is senior secured debt
- 10.9% weighted average effective yield on debt portfolio



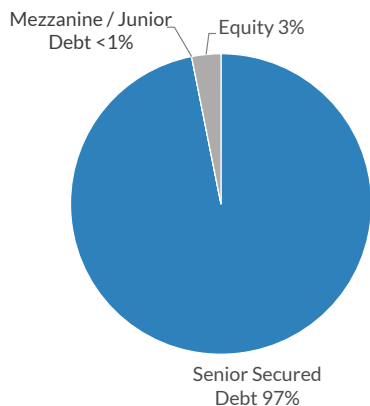
Portfolio Growth Since IPO



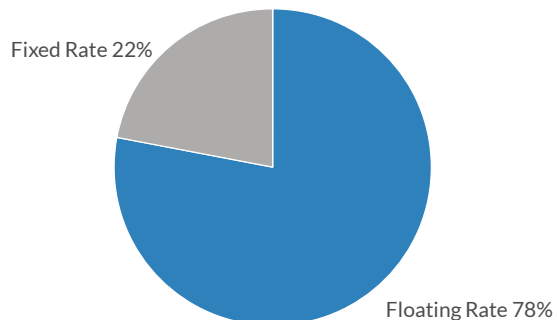
Conservatively Positioned Portfolio

As of September 30, 2015

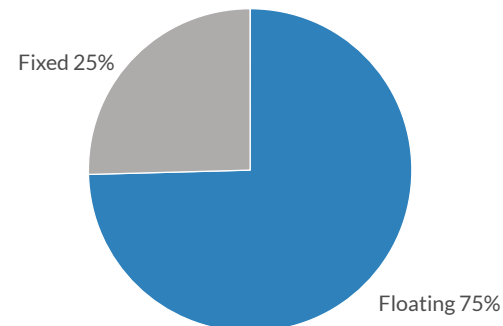
Portfolio by Asset Type



Debt Portfolio by Interest Type



Liabilities by Interest Type



Positive annual impact on net income of base rate changes in interest rates:⁽¹⁾

Basis Point Change	Net Income	Net Income Per Share
Up 300 basis points	+\$14,547,610	\$0.30
Up 200 basis points	+\$8,044,872	\$0.16
Up 100 basis points	+\$1,709,444	\$0.03
Down 100 basis points	+\$ 373,290	\$0.01

(1) Weighted average annual effective yield includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes market discount, any repayment and make-whole fee income, and any debt investments on non-accrual status.

2015 Highlights and Recent Achievements

- Received investment grade rating from S&P
- Expanded existing credit facilities:
 - In August 2015, TCPC Funding Facility commitment increased to \$350 million; accordion feature expanded to \$400 million
- Extended leverage facilities:
 - \$116 million SVCP revolver maturity extended to July 31, 2018
 - \$100.5 million preferred interests expiring on July 31, 2016 converted to term debt with maturity date of July 31, 2018
 - TCPC Funding Facility maturity date extended to March 6, 2020
- Board of Directors renewed our \$50 million share repurchase plan

Conclusion

Key Highlights

Established Direct Origination Platform	<ul style="list-style-type: none">▪ Founded in 1996, inclusive of predecessor entity; Registered Investment Advisor since 2001▪ More than \$15.5 billion invested in over 400 companies
Diversified Portfolio	<ul style="list-style-type: none">▪ Approximately \$1.3 billion portfolio with a 10.9% effective yield▪ Portfolio composed of 97% debt; 78% of debt is floating rate▪ Income from established portfolio permits a dividend at a quarterly rate of \$0.36 per share, or a dividend yield of approximately 9.5%⁽¹⁾
Diversified Low Cost Of Financing	<ul style="list-style-type: none">▪ \$750 million leverage program▪ 2.96% average interest rate
Strong Alignment with Public Investors	<ul style="list-style-type: none">▪ Best-in-class advisory fee structure

(1) Based on a closing price of \$15.13 as of 11/9/2015.

Appendix

Key Financial Highlights

(\$ per share)

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net investment income before taxes ⁽¹⁾	\$ 0.50	\$ 0.55	\$ 0.46	\$ 0.50	\$ 0.47
Excise taxes	-	-	-	(0.02)	-
Incentive compensation on NII	(0.10)	(0.11)	(0.09)	(0.10)	(0.09)
Net investment income, after incentive ⁽¹⁾	0.40	0.44	0.37	0.38	0.38
Net realized & unrealized gains (losses)	(0.04)	(0.04)	0.01	(0.56)	(0.11)
Gain on repurchase of Series A preferred interests	-	0.03	-	-	-
Incentive allocation reserve	-	-	-	0.02	0.02
Net increase in net assets from operations	0.36	0.43	0.38	(0.16)	0.29
Regular dividend paid	0.36	0.36	0.36	0.36	0.36
Special dividend paid	-	-	-	0.05	-
Net asset value	15.10	15.10	15.03	15.01	15.43

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Total fair value of investments (000s)	\$ 1,269,161	\$ 1,211,975	\$ 1,203,345	\$ 1,146,536	\$ 1,074,797
Number of portfolio companies	91	87	84	84	82
Average investment size (000s)	\$ 13,947	\$ 13,931	\$ 14,326	\$ 13,649	\$ 13,107
Debt/equity ratio	.73x ⁽²⁾	.70x	.71x	.63x	.69x
Debt/equity ratio, net of cash ⁽³⁾	.69x ⁽²⁾	.65x	.66x	.58x	.66x

(1) After preferred dividends.

(2) Excludes SBIC debt following receipt of exemptive relief on July 13, 2015.

(3) Net of trades pending settlement.



Portfolio Highlights

Asset Mix of the Investment Portfolio <i>(in thousands)</i>	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Senior secured debt	\$ 1,227,621	\$ 1,170,828	\$ 1,168,613	\$ 1,113,537	\$ 1,041,130
Mezzanine/subordinated debt	57	57	57	56	15
Equity	41,483	41,090	34,675	32,943	33,652
Total investments	1,269,161	1,211,975	1,203,345	1,146,536	1,074,797

Select Portfolio Data <i>(in thousands)</i>	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Gross new commitments	\$ 120,578	\$ 195,948	\$ 106,822	\$ 183,474	\$ 207,059
Exits (includes repayments)	(65,328)	(189,745)	(50,433)	(88,014)	(22,574)
Net commitments	55,250	6,203	56,389	95,460	184,485

Securities Listing

NASDAQ: TCPC

Research Coverage

- Wells Fargo
- Cantor Fitzgerald
- Citigroup Global Markets
- Crowell Weedon
- Deutsche Bank
- JMP Securities
- Keefe, Bruyette & Woods
- MLV & Co
- Oppenheimer
- Raymond James
- Wunderlich Securities

Transfer Agent

Wells Fargo Shareholder Services
(800) 468-9716 (from U.S.)
(651) 450-4064 (from outside U.S.)
www.shareowneronline.com

Corporate Headquarters

2951 28th Street
Suite 1000
Santa Monica, CA 90405

Investor Relations

(310) 566-1094
investor.relations@tcpcapital.com
www.tcpcapital.com