



TCP CAPITAL CORP.

TCP Capital Corp. Investor Presentation

Quarter Ended June 30, 2014

Forward Looking Statements

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

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act or Section 21E of the Securities Exchange Act. Actual results could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation, changes in general economic conditions or changes in the conditions of the industries in which the Company makes investments, risks associated with the availability and terms of financing, changes in interest rates, availability of transactions, and regulatory changes. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in the "Risks" section of the company's prospectus dated July 2, 2014 and its preliminary prospectus supplement dated July 28, 2014 and the company's subsequent periodic filings with the SEC. Copies are available on the SEC's website at www.sec.gov and the Company's website at <http://www.tcpcapital.com>. Forward-looking statements are made as of the date of this presentation, or as of the prior date referenced in this presentation, and are subject to change without notice. The Company has no duty and does not undertake any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise.

TCPC

- Business development company (BDC)
- Trades on NASDAQ: “TCPC”
- Expects to distribute most of its earnings as dividends⁽¹⁾
- 8.4% current dividend yield⁽²⁾

Investment Objective

We seek to generate high total returns through current income and capital appreciation, with an emphasis on 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

(1) There can be no assurance that dividends will continue at current rates or that quarterly cash distributions will be made.

(2) Based on a closing price of \$17.20 as of 8/4/2014.

Recent Achievements

- In May, received \$75 million leverage commitment from the SBA
- In June, TCPC Funding Facility commitment increased to \$200 million; accordion feature expanded to \$250 million
- In June, closed private placement of \$108 million of 5.25% convertible notes due Dec. 2019
- In July, opened San Francisco office anchored by energy tech team
- In July, completed accretive follow-on offering of 5.4 million shares; net proceeds of \$90.4 million

Q2 2014 Highlights

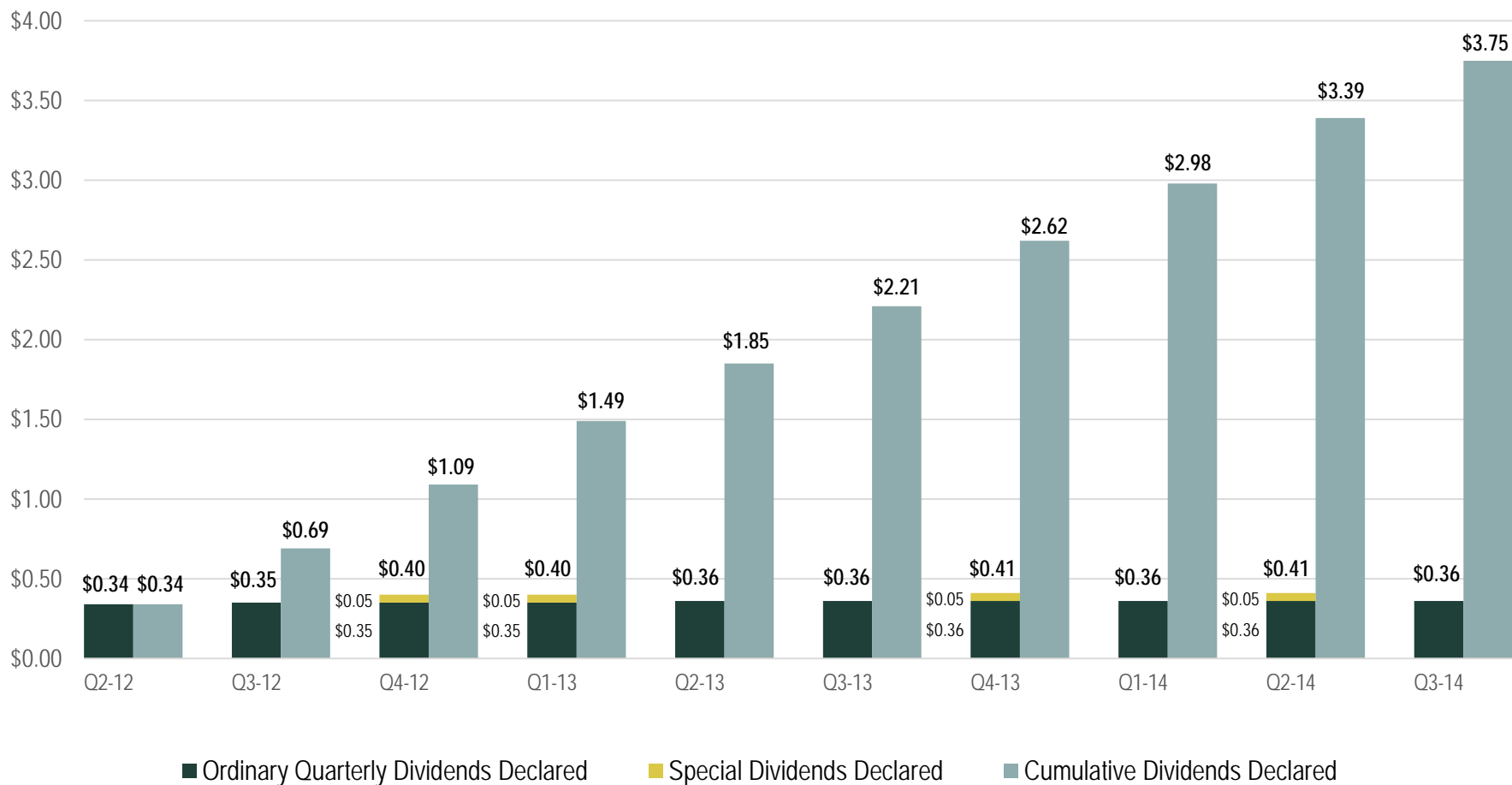
- Net investment income⁽¹⁾ of \$0.40 per share
 - Quarterly dividend of \$0.36 and special dividend of \$0.05 per share paid on June 30, 2014
- Declared Q3 2014 quarterly dividend of \$0.36 per share payable on September 30, 2014 to holders of record as of September 16, 2014

Per Share	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	ITD Total
Regular dividend	0.34	0.35	0.35	0.35	0.36	0.36	0.36	0.36	0.36	0.36	3.75
Special dividend			0.05	0.05			0.05		0.05		

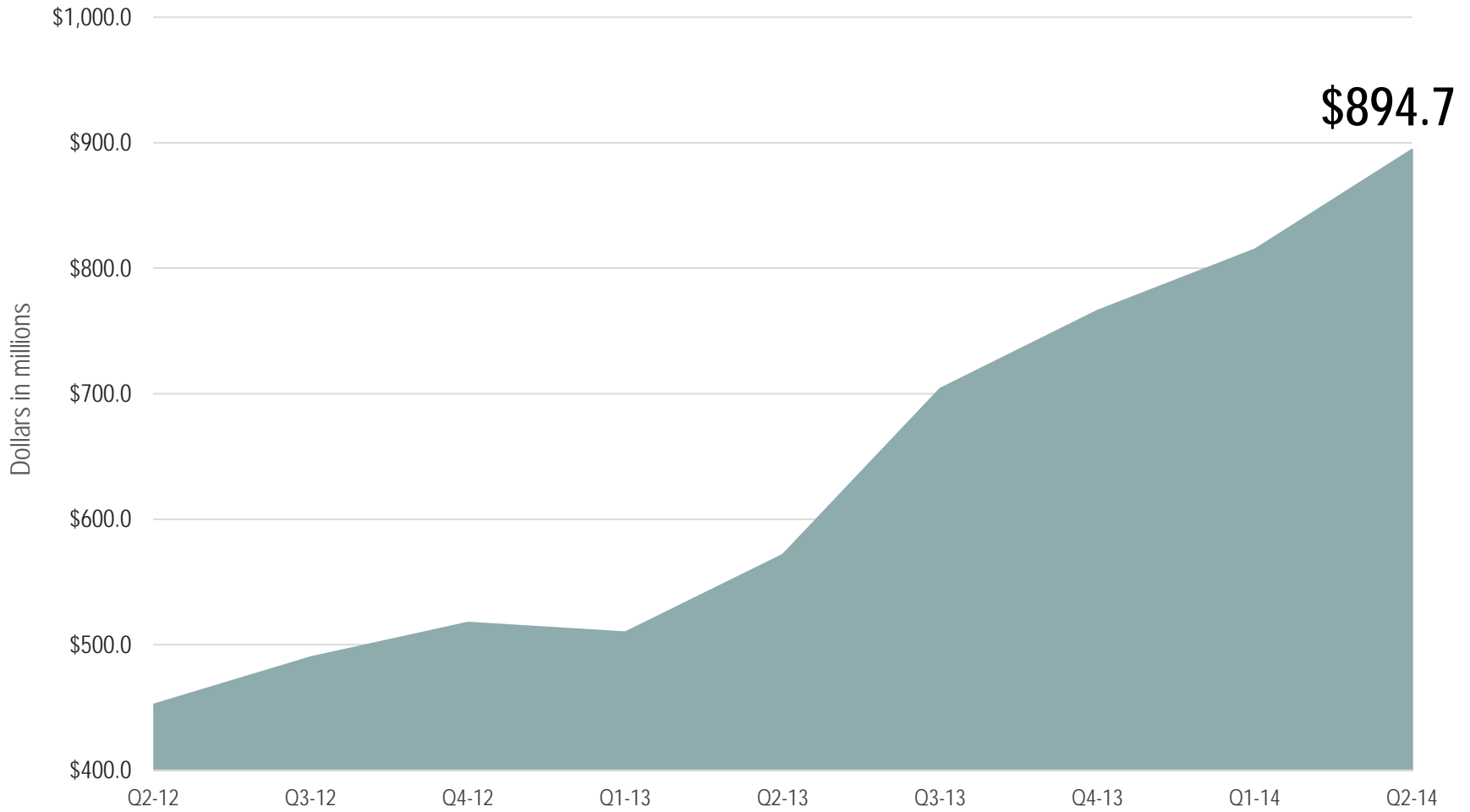
- Earnings per share \$0.33; NAV of \$15.31 per share
- Deployed \$169 million in 14 investments

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

Dividend History: \$3.75 Declared Since IPO

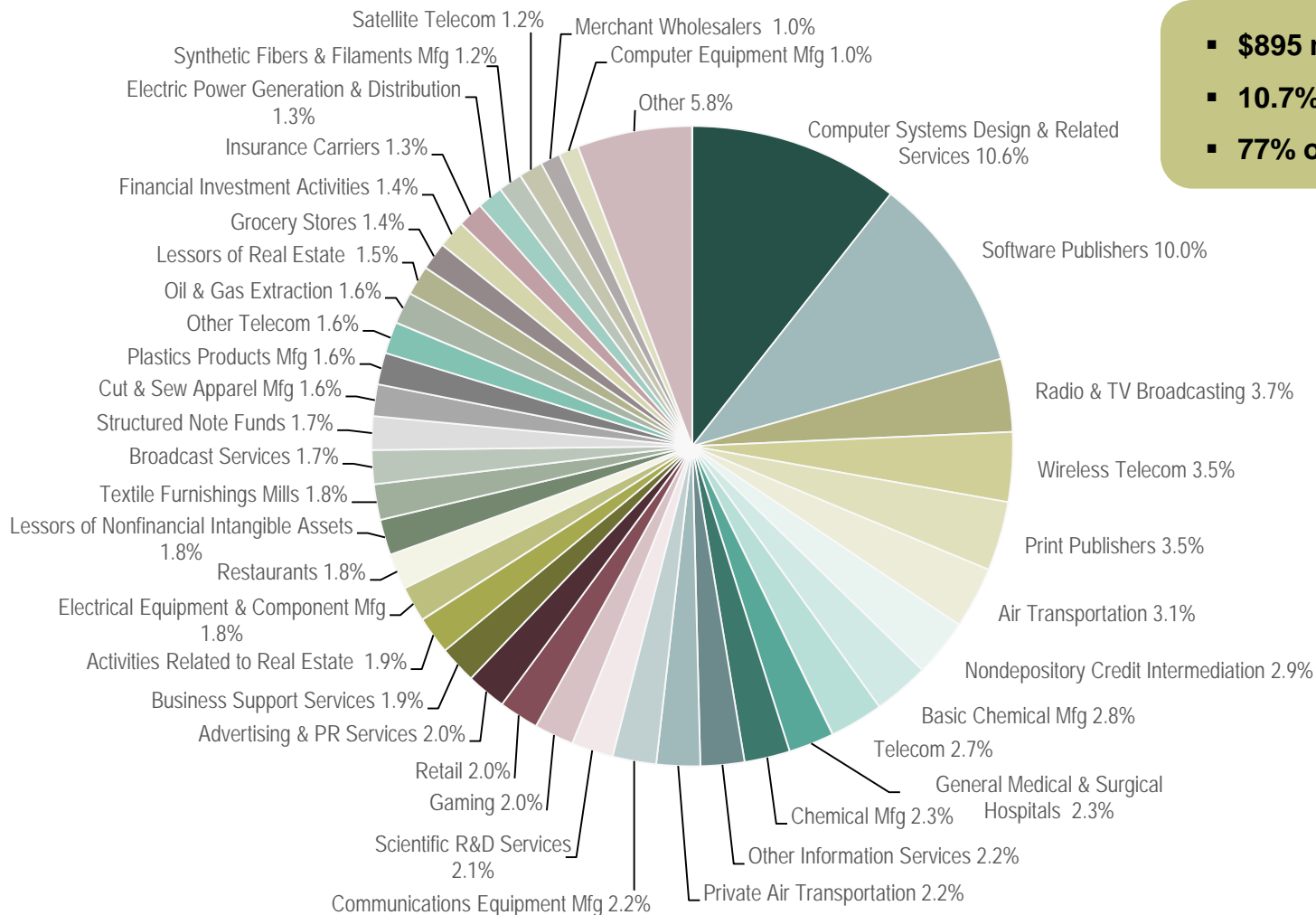


Portfolio Growth Since IPO



Portfolio Highlights as of June 30, 2014

Investment by Industry



- **\$895 million portfolio fair value**
- **10.7% average effective yield**
- **77% of debt is floating rate**

Financial Highlights

(\$ per share)	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net investment income before taxes ⁽¹⁾	0.50	0.48	\$ 0.50	\$ 0.50	\$ 0.47
Excise taxes	-	-	(0.03)	-	-
Net investment income ⁽¹⁾	0.50	0.48	0.47	0.50	0.47
Net realized & unrealized gains (losses)	(0.09)	0.14	0.10	0.11	0.03
Incentive allocation and reserve	(0.08)	(0.13)	(0.11)	(0.13)	(0.10)
Net increase in net assets from operations	0.33	0.50	0.46	0.48	0.40
Quarterly dividend paid	0.36	0.36	0.36	0.36	0.36
Special dividend paid	0.05	-	0.05	-	-
Net asset value	15.31	15.32	15.18	15.06	14.94

	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Total fair value of investments (000s)	\$ 894,669	\$ 815,658	\$ 766,263	\$ 704,095	\$ 571,762
Number of portfolio company investments	74	70	67	66	57
Average investment size (000s)	\$ 12,090	\$ 11,652	\$ 11,437	\$ 10,668	\$ 10,031
Debt/equity ratio	.69x	.53x	.42x	.71x	.42x
Debt/equity ratio, net of cash ⁽²⁾	.63x	.48x	.40x	.77x ⁽³⁾	.44x

(1) After preferred dividends.

(2) Net of trades pending settlement.

(3) On a pro forma basis the ratio was 0.52x common equity, after our follow-on offering, which closed on 10/1/2013.

Portfolio Highlights

Asset Mix of the Investment Portfolio <i>(in thousands)</i>	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Senior secured debt	\$ 864,188	\$ 773,780	\$ 708,726	\$ 646,708	\$ 515,778
Senior unsecured debt	-	7,560	7,632	7,629	7,591
Mezzanine/subordinated debt	1,007	1,402	10,157	11,090	10,859
Equity	29,474	32,916	39,748	38,668	37,534
Total investments	894,669	815,658	766,263	704,095	571,762

Select Portfolio Data <i>(in thousands)</i>	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Gross new commitments	\$ 168,596	\$ 110,386	\$ 116,545	\$ 183,674	\$ 130,600
Exits (includes repayments)	(87,930)	(66,877)	(59,125)	(55,466)	(70,044)
Net commitments	80,666	43,510	57,420	128,208	60,556

Quarterly Balance Sheets

<i>(in thousands, except per share data)</i>	6/30/2014 (unaudited)	3/31/2014 (unaudited)	12/31/2013 (audited)	9/30/2013 (unaudited)	6/30/2013 (unaudited)
ASSETS					
Investments at fair value	\$ 894,669	\$ 815,658	\$ 766,263	\$ 704,095	\$ 571,762
Cash and cash equivalents	29,380	27,141	22,984	12,567	40,066
Accrued interest income	8,621	8,998	6,739	7,234	6,338
Receivable for investments sold	17,397	1,032	3,606	1,288	2,695
Other assets	8,538	4,553	3,737	4,073	2,548
Total assets	<u>958,605</u>	<u>857,382</u>	<u>803,329</u>	<u>729,257</u>	<u>623,409</u>
LIABILITIES					
Credit facility payable	\$ 250,501	\$ 157,000	\$ 95,000	\$ 150,000	\$ 33,000
Payable for investments purchased	8,562	1,515	14,707	36,918	50,179
Incentive allocation payable	3,614	3,486	3,319	2,694	2,476
Interest payable	883	332	431	290	226
Other liabilities	4,557	3,680	4,588	2,439	4,504
Total liabilities	<u>268,117</u>	<u>166,013</u>	<u>118,045</u>	<u>192,341</u>	<u>90,385</u>
Preferred equity interests	134,494	134,494	134,504	134,534	134,491
Non-controlling interest	1,602	2,204	1,169	878	344
NET ASSETS	<u>\$ 554,392</u>	<u>\$ 554,671</u>	<u>\$ 549,611</u>	<u>\$ 401,504</u>	<u>\$ 398,188</u>
NET ASSETS PER SHARE	<u>\$ 15.31</u>	<u>\$ 15.32</u>	<u>\$ 15.18</u>	<u>\$ 15.06</u>	<u>\$ 14.94</u>

Quarterly Operating Results

	For the Three Months Ended				
	(Unaudited; dollar amounts in thousands, except per share data)				
	6/30/2014	3/31/2014	12/31/2013	9/30/2013	6/30/2013
Investment Income					
Interest income	\$ 23,925	\$ 19,735	\$ 20,226	\$ 16,490	\$ 13,762
Dividend income	-	1,969	-	-	-
Other income	662	965	761	798	707
Total investment income	24,587	22,669	20,987	17,288	14,469
Expenses					
Management and advisory fees	3,105	2,886	2,710	2,206	1,940
Interest expense	1,020	457	530	341	187
Administrative expenses	379	257	257	257	168
Amortization of deferred debt issuance costs	429	373	382	219	143
Legal fees, professional fees and due diligence expenses	355	204	308	188	162
Other expenses	873	701	538	489	407
Total expenses	6,161	4,878	4,725	3,700	3,007
Net investment income before taxes	18,426	17,791	16,262	13,588	11,462
Excise taxes	-	-	977	-	-
Net investment income	18,426	17,791	15,285	13,588	11,462
Net realized and unrealized gain (loss)	(3,012)	5,180	3,121	2,937	658
Dividends on preferred equity facility	(356)	(359)	(356)	(388)	(374)
Incentive allocation distributions	(3,614)	(3,486)	(3,319)	(2,694)	(2,476)
Incentive allocation reserve	602	(1,036)	(291)	(533)	127
Net increase in net assets resulting from operations	\$ 12,046	\$ 18,090	\$ 14,440	\$ 12,910	\$ 9,397
Earnings per share	\$ 0.33	\$ 0.50	\$ 0.46	\$ 0.48	\$ 0.40
Net investment income per share ⁽¹⁾	\$ 0.40	\$ 0.39	\$ 0.40	\$ 0.40	\$ 0.38
Dividends per share	\$ 0.41	\$ 0.36	\$ 0.41	\$ 0.36	\$ 0.36
Weighted average common shares outstanding	36,200,021	36,199,917	31,812,302	26,654,702	23,639,742

(1) After dividends and incentive compensation, before taxes.

Diversified Sources of Funding

TCPC

Funding Sources	Pricing Range	Maturity Date
▪ \$116m Operating Company Credit Facility	L + 0.44% ¹	July 2016
▪ \$134m Preferred Interests	L + 0.85%	July 2016
▪ \$200m TCPC Funding I Credit Facility ²	L + 2.50% ³	May 2017
▪ \$75m SBA Leverage Program ⁴	TBD	10 years
▪ \$108m Convertible Unsecured Notes	5.25%	Dec 2019

(1) Interest rate changed to L + 2.50% on August 1, 2014.

(2) Facility has accordion feature of up to \$250 million.

(3) Subject to certain draw requirements.

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

Best-In-Class Advisory Fee Structure

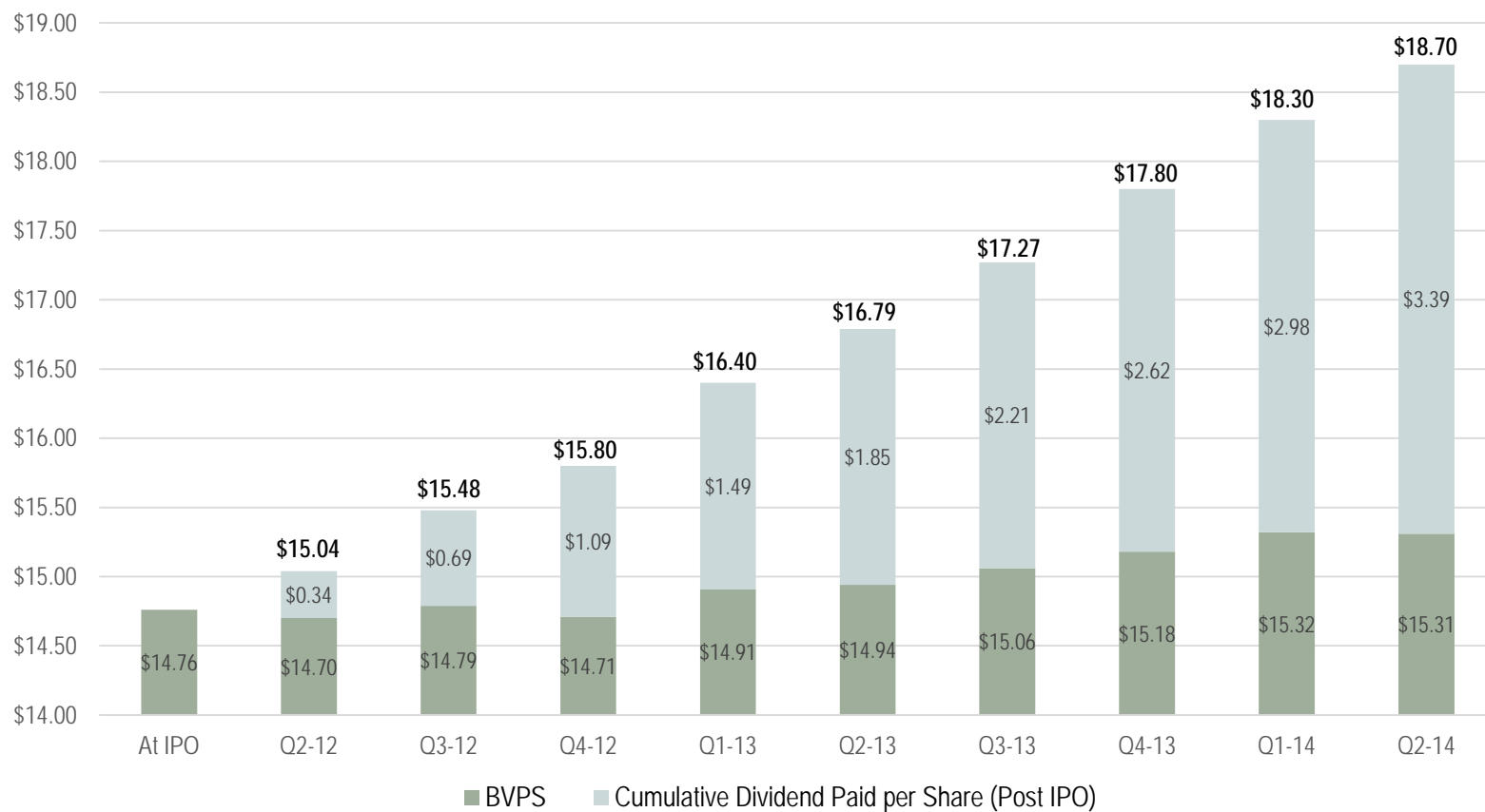
	Select Externally Managed BDCs	TCP Capital Corp.
Base Management Fee	<ul style="list-style-type: none"> 1.5% - 2.0% on gross assets 	<ul style="list-style-type: none"> 1.5% on gross assets (less cash and cash equivalents)
Incentive Fee Hurdle (on Ordinary Income)	<ul style="list-style-type: none"> 1.75% - 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, annualized 8% total return</u> hurdle; paid quarterly Ordinary Income: 20% subject to a <u>cumulative, annualized 8.0% total return</u> hurdle; paid quarterly

✓ Subject to high water mark

Source: SEC filings.

Strong Track Record of Positive Performance

Book Value per Share and Dividends Paid



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