



TCP CAPITAL CORP.

TCP Capital Corp. Investor Presentation

Quarter Ended March 31, 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 registration statement filed on Form N-2 dated March 18, 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⁾
- 9.1% 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 \$15.80 as of 5/7/2014.

Q1 2014 Highlights

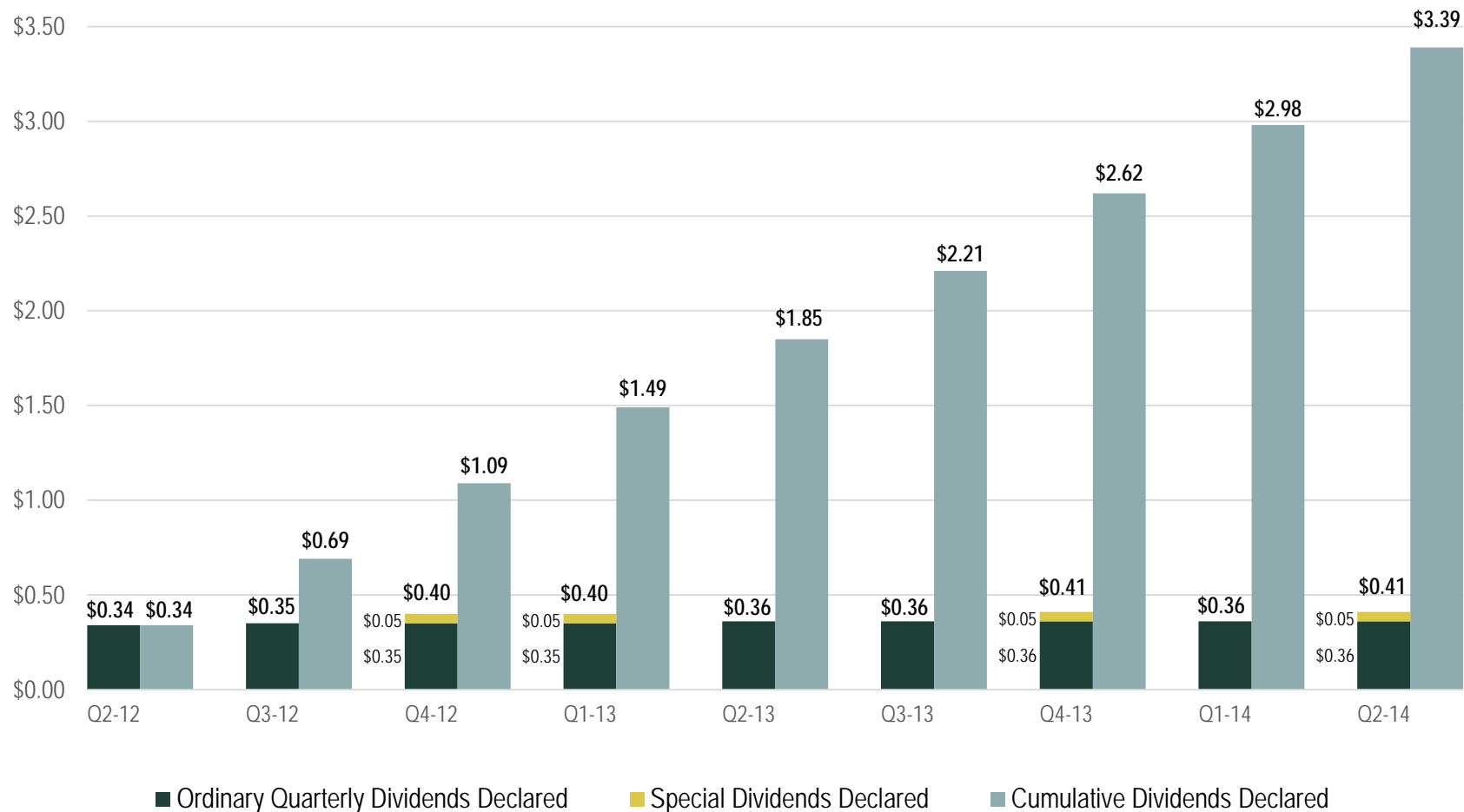
- Net investment income⁽¹⁾ of \$0.39 per share
 - Quarterly dividend of \$0.36 per share paid on March 31, 2014
- Declared Q2 2014 regular quarterly dividend of \$0.36 per share and a special dividend of \$0.05 per share
 - Both payable on June 30, 2014 to holders of record as of June 18, 2014

Per Share	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	ITD Total
Regular dividend	0.34	0.35	0.35	0.35	0.36	0.36	0.36	0.36	0.36	3.39
Special dividend			0.05	0.05			0.05		0.05	

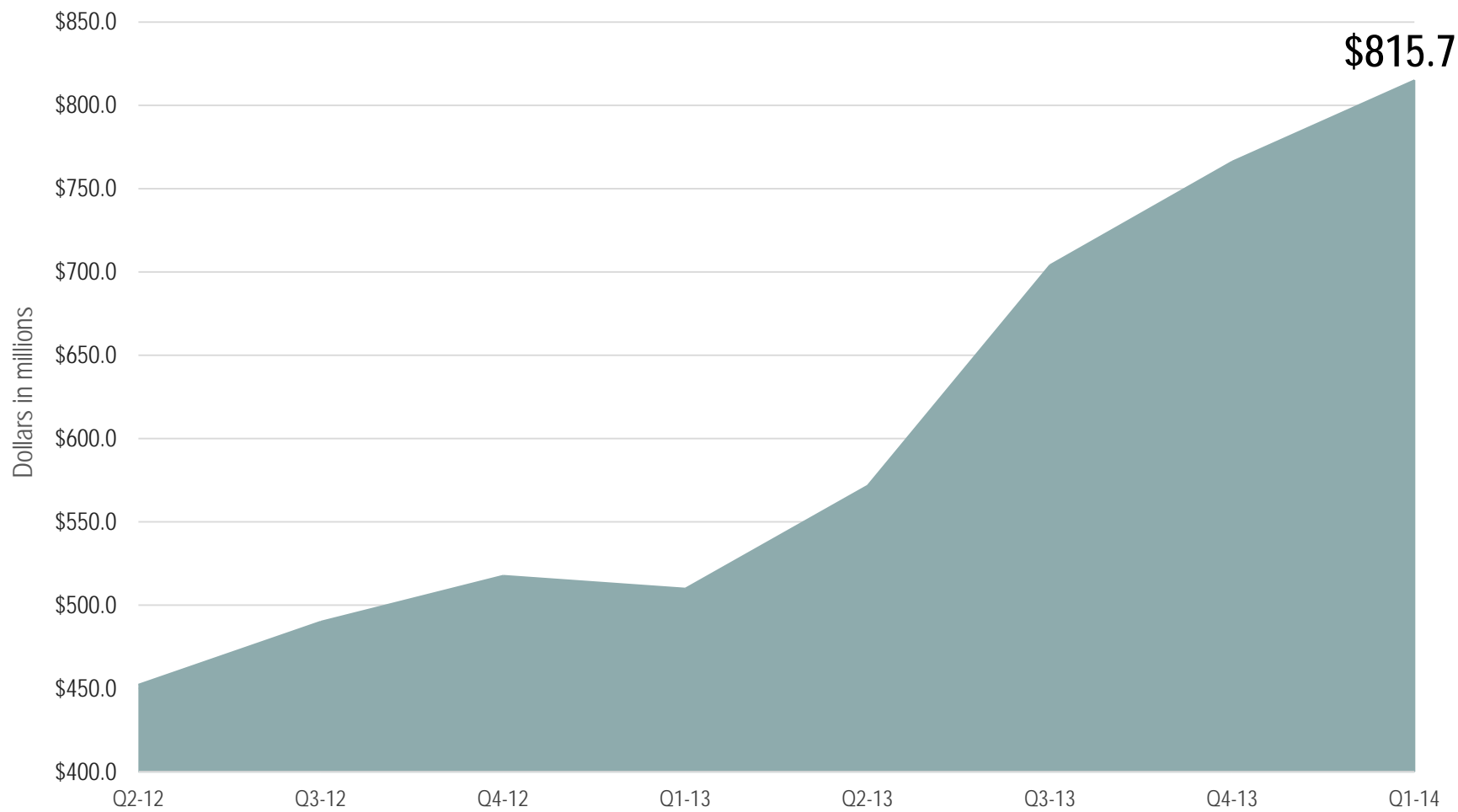
- Earnings per share \$0.50; NAV increased from \$15.18 to \$15.32 per share
- Deployed \$110 million in 11 investments
- In April, received SBIC license from the Small Business Administration

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

Dividend History: \$3.39 Declared Since IPO

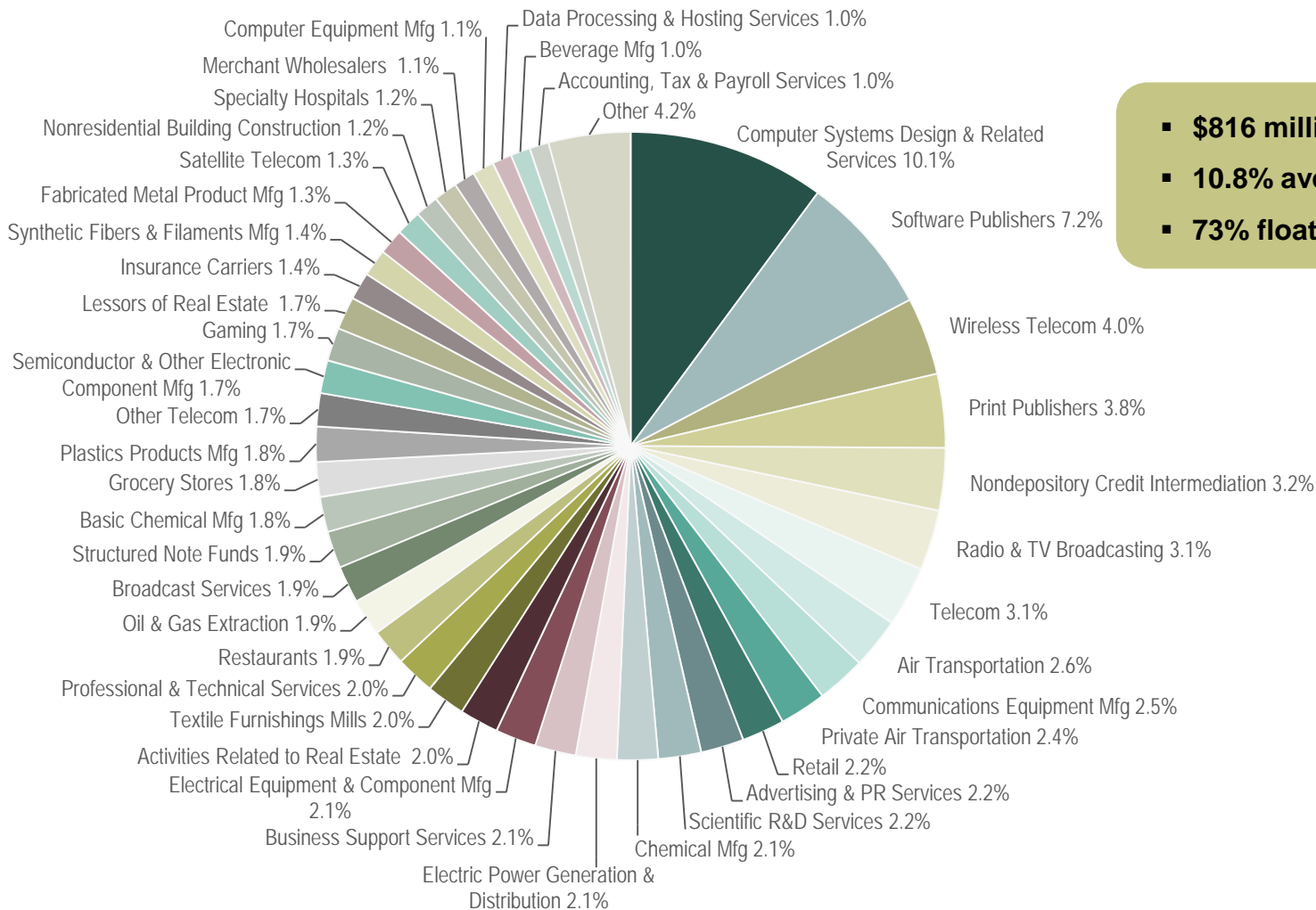


Portfolio Growth Since IPO



Portfolio Highlights as of March 31, 2014

Investment by Industry



- **\$816 million portfolio fair value**
- **10.8% average effective yield**
- **73% floating rate**

Financial Highlights

(\$ per share)

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net investment income before taxes ⁽¹⁾	0.48	\$ 0.50	\$ 0.50	\$ 0.47	\$ 0.64
Excise taxes	-	(0.03)	-	-	-
Net investment income ⁽¹⁾	0.48	0.47	0.50	0.47	0.64
Net realized & unrealized gains (losses)	0.14	0.10	0.11	0.03	0.11
Incentive allocation and reserve	(0.13)	(0.11)	(0.13)	(0.10)	(0.15)
Net increase in net assets from operations	0.50	0.46	0.48	0.40	0.60
Quarterly dividend paid	0.36	0.36	0.36	0.36	0.35
Special dividend paid	-	0.05	-	-	0.05
Net asset value	15.32	15.18	15.06	14.94	14.91

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Total fair value of investments (000s)	\$ 815,658	\$ 766,263	\$ 704,095	\$ 571,762	\$ 509,995
Number of portfolio company investments	70	67	66	57	54
Average investment size (000s)	\$ 11,652	\$ 11,437	\$ 10,668	\$ 10,031	\$ 9,444
Debt/equity ratio	.53x	.42x	.71x	.42x	.64x
Debt/equity ratio, net of cash ⁽²⁾	.48x	.40x	.77x ⁽³⁾	.44x	.60x

(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>	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Senior secured debt	\$ 773,780	\$ 708,726	\$ 646,708	\$ 515,778	\$ 453,895
Senior unsecured debt	7,560	7,632	7,629	7,591	7,553
Mezzanine/subordinated debt	1,402	10,157	11,090	10,859	12,151
Equity	32,916	39,748	38,668	37,534	36,396
Total investments	815,658	766,263	704,095	571,762	509,995

Select Portfolio Data <i>(in thousands)</i>	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Gross new commitments	\$ 110,386	\$ 116,545	\$ 183,674	\$ 130,600	\$ 40,264
Exits of commitments (includes repayments)	(66,877)	(59,125)	(55,466)	(70,044)	(51,006)
Net commitments	43,510	57,420	128,208	60,556	(10,742)

Quarterly Balance Sheets

<i>(Dollar amounts in thousands, except per share data)</i>	3/31/2014 (unaudited)	12/31/2013 (audited)	9/30/2013 (audited)	6/30/2013 (unaudited)	3/31/2013 (unaudited)
ASSETS					
Investments at fair value	\$ 815,658	\$ 766,263	\$ 704,095	\$ 571,762	\$ 509,995
Cash and cash equivalents	27,141	22,984	12,567	40,066	11,177
Accrued interest income	8,998	6,739	7,234	6,338	7,123
Receivable for investments sold	1,032	3,606	1,288	2,695	-
Other assets	4,553	3,737	4,073	2,548	1,716
Total assets	857,382	803,329	729,257	623,409	530,011
LIABILITIES					
Credit facility payable	\$ 157,000	\$ 95,000	\$ 150,000	\$ 33,000	\$ 70,000
Payable for investments purchased	1,515	14,707	36,918	50,179	157
Incentive allocation payable	3,486	3,319	2,694	2,476	2,724
Interest payable	332	431	290	226	151
Other liabilities	3,680	4,588	2,439	4,504	1,804
Total liabilities	166,013	118,045	192,341	90,385	74,836
Preferred equity interests	134,494	134,504	134,534	134,491	134,510
Non-controlling interest	2,204	1,169	878	344	471
Net assets applicable to common shareholders	\$ 554,671	\$ 549,611	\$ 401,504	\$ 398,188	\$ 320,193
NET ASSETS PER SHARE	\$ 15.32	\$ 15.18	\$ 15.06	\$ 14.94	\$ 14.91

Quarterly Operating Results

	For the Three Months Ended				
	(Unaudited; dollar amounts in thousands, except per share data)				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Investment Income					
Interest income	\$ 19,735	\$ 20,226	\$ 16,490	\$ 13,762	\$ 16,464
Dividend income	1,969	-	-	-	-
Other income	965	761	798	707	402
Total investment income	<u>22,669</u>	<u>20,987</u>	<u>17,288</u>	<u>14,469</u>	<u>16,866</u>
Expenses					
Management and advisory fees	2,886	2,710	2,206	1,940	1,965
Interest expense	457	530	341	187	136
Administrative expenses	257	257	257	168	168
Amortization of deferred debt issuance costs	373	382	219	143	109
Legal fees, professional fees and due diligence expenses	204	308	188	162	139
Other expenses	701	538	489	407	353
Total expenses	<u>4,878</u>	<u>4,725</u>	<u>3,700</u>	<u>3,007</u>	<u>2,870</u>
Net investment income before taxes	<u>17,791</u>	<u>16,262</u>	<u>13,588</u>	<u>11,462</u>	<u>13,996</u>
Excise taxes	0	977	-	-	-
Net investment income	<u>17,791</u>	<u>15,285</u>	<u>13,588</u>	<u>11,462</u>	<u>13,996</u>
Net realized and unrealized gain (loss)	5,180	3,121	2,937	658	2,355
Dividends on preferred equity facility	(359)	(356)	(388)	(374)	(377)
Incentive allocation distributions	(3,486)	(3,319)	(2,694)	(2,476)	(2,724)
Incentive allocation reserve	(1,036)	(291)	(533)	127	(471)
Net increase in net assets resulting from operations	<u>\$ 18,090</u>	<u>\$ 14,440</u>	<u>\$ 12,910</u>	<u>\$ 9,397</u>	<u>\$ 12,779</u>
Earnings per share	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>\$ 0.48</u>	<u>\$ 0.40</u>	<u>\$ 0.60</u>
Net investment income per share ⁽¹⁾	<u>\$ 0.39</u>	<u>\$ 0.40</u>	<u>\$ 0.40</u>	<u>\$ 0.38</u>	<u>\$ 0.49</u>
Dividends per share	<u>\$ 0.36</u>	<u>\$ 0.41</u>	<u>\$ 0.36</u>	<u>\$ 0.36</u>	<u>\$ 0.40</u>
Weighted average common shares outstanding	<u>36,199,917</u>	<u>31,812,302</u>	<u>26,654,702</u>	<u>23,639,742</u>	<u>21,477,628</u>

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

Attractive Leverage Program

TCP Capital Corp.

Facility	Pricing Range	Maturity Date
■ \$116m Operating Company Credit Facility	L + 0.44% ¹	Jul-16
■ \$150m TCPC Funding I Credit Facility ²	L + 2.50% ³	May-17
■ \$134m Preferred Interests	L + 0.85%	Jul-16
■ \$150m TCPC SBIC, LP Credit Facility ⁴	TBD	10 years

- (1) Interest rate increases to L + 2.50% effective August 2014.
- (2) TCPC Funding I, LLC is an indirect, wholly-owned subsidiary of TCPC.
- (3) Subject to certain draw requirements.
- (4) Anticipated leverage.

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.

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