TCP Capital Corp.
Form 497
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File No. 333-194669

PROSPECTUS SUPPLEMENT
(To Prospectus dated July 2, 2014)

5,400,000 Shares

Common Stock
$93,582,000

We are offering for sale 5,400,000 shares of our common stock.

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 common limited partner interests in Special Value Continuation Partners, LP (the "Operating Company"), which represents approximately 100% of the common equity and 80.3% of the combined common equity, preferred equity and general partner interests in the Operating Company as of March 31, 2014. 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. Our primary investment focus is investing in and originating leveraged loans to performing middle-market companies as well as small businesses.

Tennenbaum Capital Partners, LLC (the "Advisor") serves as our and the Operating Company's investment advisor. The Advisor is a leading investment manager and specialty lender to middle-market companies that had approximately $5.2 billion in capital commitments from investors ("committed capital") under management as of March 31, 2014, approximately 18% of which consists of our committed capital. SVOF/MM, LLC, an affiliate of the

Advisor, is the Operating Company's general partner and provides the administrative services necessary for us to operate.

See "Underwriting" beginning on page S-35 of this prospectus supplement for more information regarding this offering. The net asset value of our common stock on March 31, 2014 (the last date prior to the date of this prospectus supplement on which net asset value was approved by our board of directors) was $15.32 per share. Our common stock is traded on The Nasdaq Global Select Market under the symbol "TCPC." The last reported closing price for our common stock on July 28, 2014 was $17.77 per share. The offering price per share of our common stock sold in this offering less any underwriting commissions or discounts payable by us will not be less than the net asset value per share of our common stock at the time we make this offering.

You should read this prospectus supplement and the accompanying prospectus carefully before you invest in shares of our common stock. We may not sell any shares of our common stock through agents, underwriters or dealers without delivery of the prospectus and a prospectus supplement describing the method and terms of the offering of such shares of common stock.

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our common stock. Please read it carefully before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission (the "SEC"). A Statement of Additional Information, dated July 29, 2014, containing additional information about the Holding Company and the Operating Company has been filed with the SEC and is incorporated by reference in its entirety into this prospectus supplement. The Advisor maintains a website at http://www.tennenbaumcapital.com, and we make all of our annual, quarterly and current reports, proxy statements and other publicly filed information available, free of charge, on or through this website. You may also obtain free copies of our annual and quarterly reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page S-42 of this prospectus supplement, and make stockholder inquiries by contacting us at Tennenbaum Capital Partners, LLC, c/o Investor Relations, 2951 28th Street, Suite 1000, Santa Monica, California 90405 or by calling us collect at (310) 566-1094. The SEC maintains a website at http://www.sec.gov where such information is available without charge upon request. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

The debt securities in which we typically invest are either rated below investment grade by independent rating agencies or would be rated below investment grade if such securities were rated by rating agencies. Below investment grade securities, which are often referred to as "hybrid securities," "junk bonds" or "leveraged loans" are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. They may be illiquid and difficult to value and typically do not require repayment of principal prior to maturity, which potentially heightens the risk that we may lose all or part of our investment. In addition, a substantial majority of the Operating Company's debt investments include interest reset provisions that may make it more difficult for the borrowers to make debt repayments to the Operating Company if the reset provision has the effect of increasing the applicable interest rate.

Shares of closed-end investment companies, including business development companies, frequently trade at a discount from their net asset value. If our shares trade at a discount to our net asset value, it will likely increase the risk of loss for purchasers in the offerings. Investing in our common stock involves a high degree of risk, including credit risk and the risk of the use of leverage. Before buying any shares of our common stock, you should read the discussion of the material risks of investing in our common stock in "Risks beginning on page S-11 of this prospectus supplement and on page 23 of the accompanying prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$ 17.3300	$ 93,582,000
Sales Load (underwriting discounts and commissions)	$ 0.5199	$ 2,807,460
Proceeds, before expenses, to the Company (1)	$ 16.8101	$ 90,774,540

(1) We estimate that we will incur expenses of approximately $400,000 ($0.07 per share) in connection with this offering. Such expenses will be borne by us. Stockholders will indirectly bear such expenses, which will reduce the net asset value per share of the shares purchased by investors in this offering. Net proceeds, after expenses and sales load, will be approximately $90,374,540 ($16.74 per share).

The underwriters expect to deliver the shares to purchasers on or about August 1, 2014.

We have granted the underwriters an option to purchase up to 810,000 additional shares of our common stock at the public offering price, less the sales load, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total price to the public, sales load and proceeds, before expenses, will be $107,619,300, $3,228,579, and $104,390,721, respectively. See "Underwriting."

Joint Book-Running Managers
(underwriters)

Deutsche Bank Securities **BofA Merrill Lynch** **Raymond James** **Keefe, Bruyette & Woods** *A Stifel Company* **RBC Capital Markets**

Lead Manager
(underwriters)

Oppenheimer & Co.

Co-Managers
(underwriters)

JMP Securities **National Securities Corporation**

Prospectus Supplement dated July 29, 2014

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to factors previously identified elsewhere in this prospectus supplement and the accompanying prospectus, including the "Risks" section of the accompanying prospectus, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance:

- the introduction, withdrawal, success and timing of business initiatives and strategies;
- changes in political, economic or industry conditions, the interest rate environment or financial and capital markets, which could result in changes in the value of our assets;
- the valuation of our investments in portfolio companies, particularly those having no liquid trading market;
- the relative and absolute investment performance and operations of the Advisor;
- the impact of increased competition;
- the impact of future acquisitions and divestitures;
- the unfavorable resolution of legal proceedings;
- our business prospects and the financial condition and prospects of our portfolio companies;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of legislative and regulatory actions and reforms and regulatory, supervisory or enforcement actions of government agencies relating to us, the Advisor or our portfolio companies;
- the ability of the Advisor to identify suitable investments for us and to monitor and administer our investments;
- our contractual arrangements and relationships with third parties;
- any future financings and investments by us;
- the ability of the Advisor to attract and retain highly talented professionals;

- fluctuations in interest rates or foreign currency exchange rates; and
- the impact of changes to tax legislation and, generally, our tax position.

This prospectus supplement and the accompanying prospectus contain, and other statements that we may make may contain, forward-looking statements with respect to future financial or business performance, strategies or expectations. Forward-looking statements are typically identified by words or phrases such as "trend," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate," "position," "assume," "potential," "outlook," "continue," "remain," "maintain," "sustain," "seek," "achieve" and similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "may" or similar expressions.

Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and we assume no duty to and do not undertake to update forward-looking statements. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933 (the "Securities Act") or Section 21E of

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the Securities Exchange Act of 1934 (the "Securities Exchange Act"). Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Statistical and market data used in this prospectus supplement has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus supplement, for which the safe harbor provided in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act is not available.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the Statement of Additional Information, dated July 29, 2014, or SAI, incorporated by reference in its entirety in the accompanying prospectus, and the documents incorporated by reference herein or therein. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of this prospectus supplement and of the accompanying prospectus, respectively, and the information in the SAI and the documents incorporated by reference herein or in the accompanying prospectus or the SAI is accurate only as of their respective dates. Our business, financial condition and prospects may have changed since that date. To the extent required by applicable law, we will update this prospectus supplement, the accompanying prospectus and the SAI during the offering period to reflect material changes to the disclosure herein.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus supplement. This summary is not complete and may not contain all of the information that you may want to consider before investing in our common stock. You should read the entire prospectus supplement, the accompanying prospectus, including "Risks," and the Statement of Additional Information dated July 29, 2014 (the "SAI").

Throughout this prospectus supplement, 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 (as defined below) described elsewhere in this prospectus supplement 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 SVOF/MM, LLC, a Delaware limited liability company, the general partner of the Operating Company and an affiliate of the Advisor and administrator of the Holding Company and the Operating Company.

For simplicity, this prospectus supplement 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 this offering 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 prospectus supplement generally refers to the Holding Company's investments through the Operating Company as investments by the "Company," and (ii) although the Operating Company and TCPC Funding and not the Holding Company has entered into the Leverage Program (defined below), this prospectus supplement 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 the accompanying prospectus 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 prospectus supplement, we refer to such transactions as the "Conversion." Unless otherwise indicated, the disclosure in this prospectus supplement gives effect to the Conversion.

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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. See the accompanying prospectus "Prospectus Summary Company History and BDC Conversion." We completed our initial public offering on April 10, 2012.

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 as well as small businesses which meet the "small" enterprise definition of the rules and regulations of the Small Business Administration (the "SBA"). While we primarily focus on privately negotiated investments in debt of middle-market companies, we 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 benefit from what we believe are the competitive advantages of the 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 origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. Substantially all of our operating history and performance results have been achieved through our predecessor, Special Value Continuation Fund, LLC, which was a registered investment company but was neither a business development company nor a publicly traded company. 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. See the accompanying prospectus "Prospectus Summary Company History and BDC Conversion".

To achieve our investment objectives, we intend to focus on a subset of the broader investment strategies historically pursued by the Advisor. Our primary investment focus is the ongoing origination of and investments in leveraged loans of performing middle-market companies as well as small businesses. For the purposes of this prospectus supplement, 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.

Our investments generally range from $10 million to $40 million per company, the size of which may grow over time in proportion with our capital base. We expect to generate current returns through a combination of the receipt of contractual interest payments on debt investments and origination and similar fees, and, to a lesser extent, equity appreciation through options, warrants, conversion rights or direct equity investments. We often receive equity interests such as preferred or common stock and warrants or options in connection with our debt investments. From time to time we may also use other investment strategies, which are not our primary focus, to attempt to enhance the overall return of our portfolio. These investment strategies may include, but are not limited to, the purchase of discounted debt, opportunistic investments, and financial instruments to hedge currency or interest rate risk associated with our portfolio.

As described in the accompanying prospectus under "Prospectus Summary Company History and BDC Conversion," 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

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Operating Company. Our investment activities are externally managed by the Advisor. 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 (the "Code").

As of March 31, 2014, we held investments in 70 portfolio companies. The aggregate fair value as of March 31, 2014 of investments in these portfolio companies was approximately $815.7 million. Our portfolio across all our long-term debt investments had a weighted average annual effective yield of 10.8% as of March 31, 2014. In addition to the annual stated interest rate, this figure includes amortization of deferred debt origination fees and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments on non-accrual status.

Recent Developments

On April 22, 2014, our wholly owned subsidiary, TCPC SBIC received a Small Business Investment Company ("SBIC") license from the SBA. We have requested exemptive relief from the SEC to permit 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. If granted, the exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting TCPC SBIC to borrow up to $150 million more than it would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, would be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we could have more debt outstanding than assets to cover such debt. For further information, please see the accompanying prospectus "Prospectus Summary The Company" and "Risk Factors Risks related to our business TCPC SIBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations."

TCPC SBIC relies on Section 3(c)(7) of the 1940 Act for an exclusion from the definition of "investment company" under the 1940 Act. TCPC SBIC follows the same investment objective and strategy as the Holding Company with a focus on smaller companies. SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses generally include businesses that have a tangible net worth not exceeding $18.0 million and have average annual fully taxed net income not exceeding $6.0 million for the two most recent fiscal years. An SBIC must devote 25.0% of its investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise is generally 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. Under the SBA Act and current SBA policy applicable to SBICs, an SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. Under the 1940 Act, the leverage limitations generally applicable to BDCs do not apply to debt of SBICs held or guaranteed by the SBA. In order to ensure that this relief is applicable to the Company upon consolidation of TCPC SBIC, the Company has applied for exemptive relief from the SEC to permit it to exclude the debt of TCPC SBIC guaranteed by the SBA from the definition of senior securities in the 200% asset coverage ratio the Company is required to maintain under the 1940 Act.

Effective as of April 28, 2014, Todd Jaquez-Fissori joined the Holding Company as a Managing Director.

On May 8, 2014, the Company's board of directors declared a regular second quarter cash dividend of $0.36 per share and a $0.05 per share special dividend. Both dividends were paid on June 30, 2014 to stockholders of record as of the close of business on June 18, 2014.

On May 23, 2014, TCPC SBIC received a $75.0 million leverage commitment from the SBA.

On June 9, 2014, we exercised the accordion feature of the TCPC Funding Facility and increased the aggregate principal commitment amount to $200.0 million. The accordion feature was also expanded to $250.0 million, subject to consent of the administrative agent and other customary conditions.

On June 17, 2014, we closed a private placement of $100.0 million aggregate principal amount of 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes"). The 2019 Notes bear interest at a rate of 5.25% per year, payable semiannually on June 15 and December 15 each year, beginning December 15, 2014. The 2019 Notes will mature on December 15, 2019. In certain circumstances, the 2019 Notes will be convertible into shares of our common stock based on an initial conversion rate of 50.9100 shares of our common stock per $1,000.0 principal amount of the 2019 Notes, which is equivalent to an initial conversion price of approximately $19.64 per share of common stock, subject to customary anti-dilution adjustments.

On June 27, 2014, the initial purchasers in the 2019 Notes offering exercised their overallotment option and purchased an additional $8.0 million in aggregate principal amount of the 2019 Notes. With the exercise of the overallotment option, a total of $108.0 million in aggregate principal amount of the 2019 Notes were issued and outstanding as of the date of this prospectus supplement. Net proceeds to us from the 2019 Notes offering, including the exercise of the overallotment option, were approximately $104.8 million.

From April 1, 2014 through June 30, 2014, we invested approximately $168.6 million in senior secured loans to nine new and five existing portfolio companies with a weighted average effective yield of 9.9%. Additionally, during the three months ended June 30, 2014, we received approximately $87.9 million in proceeds from sales or repayments of investments with a weighted average effective yield of 9.8%.

Net combined leverage was approximately 0.63 times net equity at June 30, 2014 and approximately 0.69 times net equity at July 24, 2014.

We estimate that net investment income, after preferred dividends and incentive compensation on net investment income, will be in the range of $0.39 to $0.40 per share for the three months ended June 30, 2014, including current period interest and debt cost amortization associated with the issuance of our convertible notes. We estimate that net increase in net assets resulting from operations for the three months ended June 30, 2014 will be in the range of $0.32 to $0.34 per share. We estimate that net asset value per share as of June 30, 2014 will be in the range of $15.30 to $15.32. These estimates are based on management's preliminary determination and have not been approved by our board of directors.

The estimates presented above are based on management's preliminary determinations only and, consequently, the data set forth in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014 may differ from these estimates, and any such differences may be material. For example, estimated net asset value per share is based on the value of our total assets, including our investments (many of which are not publicly traded or whose market prices are not readily available, the fair value of which is determined by our board of directors in good faith). The fair value of such investments have not yet been

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determined by our board of directors and the actual fair value of such investments, when determined by our board of directors, may be different than the estimates reported herein. In addition, the information presented above does not include all of the information regarding our financial condition and results of operations as of and for the quarterly period ended June 30, 2014 that may be important to investors. As a result, investors are cautioned not to place undue reliance on the information presented above and should view this information in the context of our full second quarter results when such results are disclosed by us in our Quarterly Report on Form 10-Q for the period ended June 30, 2014. The information presented above is based on current management expectations that involve substantial risk and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, such information. We assume no duty to update these preliminary estimates except as required by law.

Company Information

Our administrative and executive offices are located at 2951 28th Street, Suite 1000, Santa Monica, CA 90405, and our telephone number is (310) 566-1094. The Advisor maintains a website at http://www.tennenbaumcapital.com. Information contained on this website is not incorporated by reference into this prospectus supplement or the accompanying prospectus, and you should not consider information contained on the Advisor's website to be part of this prospectus supplement or the accompanying prospectus.

Presentation of Historical Financial Information

Unless otherwise indicated, historical references contained in this prospectus supplement and the accompanying prospectus, as applicable, in " Selected Financial Data," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Senior Securities" and "Portfolio Companies" relate to the Holding Company and the Operating Company on a consolidated basis.

For further information please see the "Prospectus Summary" in the accompanying prospectus.

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FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. The expenses shown in the table under "Annual Expenses" (excluding incentive compensation payable under the investment management agreement) are based on the offering of 5,400,000 shares of our common stock offered in this offering at the public offering price of $17.33 per share. The following table and example should not be considered a representation of our future expenses. Actual expenses may be greater or less than shown. The following table and example represent our best estimate of the fees and expenses that we expect to incur during the next twelve months. Further, the fees and expenses below are presented on a consolidated basis directly or indirectly to include expenses of the Company and the Operating Company that investors in this offering will bear.

Stockholder Transaction Expenses:		
Sales Load (as a percentage of offering price)	3.00%	(1)
Offering Expenses (as a percentage of offering price)	0.43%	(2)
Dividend Reinvestment Plan Fees		(3)
Total Stockholder Transaction Expenses (as a percentage of offering price)	3.43%	

Annual Expenses (as a Percentage of Consolidated Net Assets Attributable to Common Stock) (4):		
Base Management Fees	2.39%	(5)
Incentive Compensation Payable Under the Investment Management Agreement (20% of ordinary income and capital gains)	2.28%	(6)
Interest Payments on Borrowed Funds	1.92%	(7)
Preferred Dividends	0.21%	(8)
Other Expenses (estimated)	0.70%	(9)
Total Annual Expenses	7.50%	

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(1) The underwriting discount and commission with respect to shares sold in this offering, which are one-time fees to the underwriters in connection with this offering, are the only sales load being paid in connection with this offering.

(2) Amount reflects estimated offering expenses of approximately $400,000 and based on the 5,400,000 shares of our common stock offered in this offering at a price of $17.33 per share, and which assumes no exercise of the underwriters' option to purchase additional shares.

(3)

The expenses of the dividend reinvestment plan are included in "other expenses." See "Dividend Reinvestment Plan" in the SAI.

(4)

The "consolidated net assets attributable to common stock" used to calculate the percentages in this table is our average consolidated net assets attributable to common stock of $448.7 million for the 12 month period ending March 31, 2014.

(5)

Base management fees are paid quarterly in arrears. The base management fee of 1.5% per year is calculated based on the value of our total assets (excluding cash and cash equivalents) at the end of the most recently completed calendar quarter. The percentage shown in the table, which assumes all capital and leverage is invested at the maximum level, is calculated by determining the ratio that the aggregate base management fee bears to our net assets attributable to common stock and not to our total assets. We make this conversion because all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders. If we borrow money or issue preferred stock and invest the proceeds other than in cash and cash equivalents, our base management fees will increase. The base management fee for any partial quarter is appropriately pro-rated. See the accompanying prospectus "Management of the Company Investment Management Agreements."

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(6)

Under the investment management agreements and the amended and restated limited partnership agreement of the Operating Company dated April 2, 2012, (the "Amended and Restated Limited Partnership Agreement"), no incentive compensation was incurred until after January 1, 2013. The incentive compensation has two components, ordinary income and capital gains. Each component is payable quarterly in arrears (or upon termination of the Advisor as the investment manager or the General Partner as of the termination date) and is calculated based on the cumulative return for periods beginning January 1, 2013 and ending on the relevant calculation date.

Each of the two components of incentive compensation is separately subject to a total return limitation. Thus, notwithstanding the following provisions, we are not obligated to pay or distribute any ordinary income incentive compensation or any capital gains incentive compensation if our cumulative total return does not exceed an 8% annual return on daily weighted average contributed common equity. The incentive compensation we would pay is subject to a total return limitation. That is, no incentive compensation is paid if our cumulative annual total return is less than 8% of our average contributed common equity. If our cumulative annual total return is above 8%, the total cumulative incentive compensation we pay is not more than 20% of our cumulative total return, or, if lower, the amount of our cumulative total return that exceeds the 8% annual rate.

Subject to the above limitation, the ordinary income component is the amount, if positive, equal to 20% of the cumulative ordinary income before incentive compensation, less cumulative ordinary income incentive compensation previously paid or distributed.

Subject to the above limitation, the capital gains component is the amount, if positive, equal to 20% of the cumulative realized capital gains (computed net of cumulative realized losses and cumulative net unrealized capital depreciation), less cumulative capital gains incentive compensation previously paid or distributed. For assets held on January 1, 2013, capital gain, loss and depreciation will be measured on an asset by asset basis against the value thereof as of December 31, 2012. The capital gains component is allocated, paid or distributed in full prior to payment or distribution of the ordinary income component.

(7)

"Interest Payments on Borrowed Funds" represents dividends, interest and fees estimated to be accrued on the Revolving Facilities (as defined below) and amortization of debt issuance costs, and assumes the Revolving Facilities are fully drawn (subject to asset coverage limitations under the 1940 Act) and that the interest rate on the debt issued under the Operating Company Facility (as defined below) is the rate in effect as of March 31, 2014, which was 0.59% and (ii) under the TCPC Funding Facility is the rate in effect as of March 31, 2014, which was 2.74%. "Interest Payments on Borrowed Funds" additionally represents interest and fees estimated to be accrued on $108.0 million in aggregate principal amount of our 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes") issued and outstanding as of the date of this prospectus supplement, which bear interest at a rate of 5.25% per year and are convertible into shares of our common stock under certain circumstances. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(8)

"Preferred Dividends" represents dividends estimated to be accumulated on the Preferred Interests and assumes that the dividend rate on the Preferred Interests is the rate in effect as of March 31, 2014 which was 1.03%. When we borrow money or issue preferred stock, all of our interest and preferred stock dividend payments are indirectly borne by our common stockholders.

(9) "Other Expenses" includes our estimated overhead expenses, including expenses of the Advisor reimbursable under the investment management agreements and of the Administrator reimbursable under the administration agreement. Such expense estimate, other than the Administrator expenses, is based on actual other expenses for the three months ended March 31, 2014.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses (including stockholder transaction expenses and annual expenses) that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses remain at the levels set forth in the table above.

	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1000 investment assuming a 5% annual return	$ 85	$ 185	$ 285	$ 533

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While the example assumes, as required by the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. There is no incentive compensation either on income or on capital gains under our investment management agreements and the Amended and Restated Limited Partnership Agreement assuming a 5% annual return and therefore it is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive compensation of a material amount, our distributions to our common stockholders and our expenses would likely be higher. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, participants in our dividend reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the dividend or distribution payable to a participant by the market price per share of our common stock at the close of trading on the valuation date for the dividend. See "Dividend Reinvestment Plan" in the SAI for additional information regarding our dividend reinvestment plan.

Except where the context suggests otherwise, whenever this prospectus supplement or the accompanying prospectus contains a reference to fees or expenses paid by "you," the "Company," the "Holding Company," the "Operating Company" or "us," our common stockholders will indirectly bear such fees or expenses, including through the Company's investment in the Operating Company.

This example and the expenses in the table above should not be considered a representation of our future expenses. Actual expenses (including the cost of debt, if any, and other expenses) may be greater or less than those shown.

SELECTED FINANCIAL DATA

The selected consolidated financial and other data below reflects the consolidated historical operations of the Holding Company and the Operating Company. This consolidated financial and other data is the Holding Company's historical financial and other data. The Operating Company will continue to be the Holding Company's sole investment following the completion of this offering.

The selected consolidated financial data below for the years ended December 31, 2013, 2012, 2011, 2010 and 2009 has been derived from the consolidated financial statements that were audited by our independent registered public accounting firm. The selected consolidated financial data at and for the three months ended March 31, 2014 and 2013 have been derived from unaudited financial data, but in the opinion of our management, reflects all adjustments (consisting only of normal recurring adjustments) that are necessary to present fairly the results for such interim periods. Interim results at and for the three months ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. This selected financial data should be read in conjunction with our financial statements and related notes thereto, which are incorporated by reference into the SAI, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Senior Securities" included elsewhere in this prospectus supplement.

The historical financial information may not be representative of the Company's financial information in future periods.

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2014	**2013**	**2013**	**2012**	**2011**	**2010**	**2009**
erformance ata:							
terest income	$ 19,735,234	$ 16,464,196	$ 66,979,064	$ 49,243,332	$ 42,113,358	$ 32,410,819	$ 26,678,140
ividend income	1,968,748			1,811,189	10,610,159	13,547,924	
ther income	964,662	401,547	2,629,982	1,138,238	2,134,159	1,842,469	417,533
otal investment come	22,668,644	16,865,743	69,609,046	52,192,759	54,857,676	47,801,212	27,095,673
terest and credit greement xpenses	1,020,815	267,560	2,339,447	857,757	942,288	893,806	949,554
vestment dvisory expense	2,886,208	1,964,736	8,820,229	6,908,942	6,787,188	6,787,188	6,787,188
ther expenses	970,967	637,334	4,119,108	4,105,700	1,520,474	1,213,685	1,426,099
otal expenses	4,877,990	2,869,630	15,278,784	11,872,399	9,249,950	8,894,679	9,162,841
et investment come	17,790,654	13,996,113	54,330,262	40,320,360	45,607,726	38,906,533	17,932,832
ealized and nrealized gains osses)	5,180,018	2,355,389	9,071,361	(12,784,251)	(38,878,881)	31,621,019	36,142,346
ividends to referred interest olders	(358,640)	(377,402)	(1,494,552)	(1,602,799)	(1,545,555)	(1,519,759)	(1,740,964)
istributions of centive location	(4,522,407)	(3,194,820)	(12,381,416)				
et increase in et assets from perations	$ 18,089,625	$ 12,779,280	$ 49,525,655	$ 25,933,310	$ 5,183,290	$ 69,007,793	$ 52,334,214

er Share Data (at e end of the eriod): *							
et increase in et assets from perations	$ 0.50	$ 0.60	$ 1.91	$ 1.21	$ 12.37	$ 164.72	$ 124.92
istributions eclared per share	(0.36)	(0.40)	(1.53)	(1.43)	(75.19)	(89.99)	(36.28)
verage weighted hares utstanding for e period	36,199,917	21,477,640	25,926,493	21,475,847	418,956	418,956	418,956
ssets and iabilities Data:							
vestments	$ 815,657,748	$ 509,994,945	$ 766,262,959	$ 517,683,087	$ 378,960,536	$ 453,034,872	$ 343,062,967
ther assets	41,724,287	20,015,908	37,066,243	31,559,015	24,492,967	20,604,286	119,642,507
otal assets	857,382,035	530,010,853	803,329,202	549,242,102	403,453,503	473,639,158	462,705,474
mount drawn on edit facility	157,000,000	70,000,000	95,000,000	74,000,000	29,000,000	50,000,000	75,000,000
ther liabilities	9,013,064	4,836,107	23,045,112	24,728,267	2,116,211	25,050,178	20,431,955
otal liabilities	166,013,064	74,836,107	118,045,112	98,728,267	31,116,211	75,050,178	95,431,955
referred Stock						23,527	25,391
referred limited artnership terest	134,493,757	134,510,274	134,504,252	134,526,285	134,466,418	134,377,869	134,368,337
on-controlling terest	2,204,587	471,078	1,168,583				
et assets	$ 554,670,627	$ 320,193,394	$ 549,611,255	$ 315,987,550	$ 237,870,874	$ 264,187,584	$ 232,879,791
nvestment ctivity Data:							
o. of portfolio ompanies at eriod end	70	54	67	54	41	44	40
cquisitions	$ 110,386,498	$ 40,263,751	$ 471,087,319	$ 359,020,926	$ 237,870,874	$ 262,837,727	$ 144,313,178
ales, payments, and her disposals	$ 66,876,929	$ 51,006,153	$ 235,641,665	$ 211,216,033	$ 216,916,444	$ 192,419,667	$ 195,383,341
Veighted-average ffective yield at	10.8%	11.1%	10.9%	11.3%	14.2%	13.1%	12.5

d of period (1)

*

Per share amounts prior to 2012, were calculated based on 418,986 pre-Conversion shares outstanding. Per share amounts for 2012 are calculated on 21,475,847 weighted-average post-Conversion shares outstanding.

(1)

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

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RISKS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and in the accompanying prospectus on page 23, together with all of the other information included in this prospectus supplement and in the accompanying prospectus, before you decide whether to make an investment in our common stock. The risks set forth below and in the accompanying prospectus are not the only risks we face. If any of the adverse events or conditions described below or in the accompanying prospectus occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our net asset value, or NAV, and the trading price of our common stock could decline, we could reduce or eliminate our dividend and you could lose all or part of your investment.

Our most recent NAV was calculated on March 31, 2014 and our NAV when calculated effective June 30, 2014 may be higher or lower.

Our NAV per share most recently approved by our board of directors is $15.32 as of March 31, 2014. We estimate our NAV per share as of July 25, 2014 is $15.43, however such estimate has not been approved by our board of directors, which retains ultimate authority for valuing our assets. Our NAV per share as of the date of this prospectus supplement may be higher or lower than the NAV per share approved or estimated, as applicable as of March 31, 2014 and July 25, 2014. Our board of directors has not yet approved the fair value of our portfolio investments at any date subsequent to March 31, 2014. Our board of directors approves the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from an independent valuation firm, our Advisor and the audit committee of our board of directors.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this section should be read in conjunction with the selected financial data appearing elsewhere in this prospectus supplement and the accompanying prospectus and our consolidated financial statements and related notes thereto appearing elsewhere in this prospectus supplement and the accompanying prospectus.

Overview

The Holding Company is a Delaware corporation formed on April 2, 2012 and is an externally managed, closed-end, non-diversified management investment company. The Holding Company elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). Our investment objective is to seek to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. We 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, we may make equity investments directly. Investment operations are conducted either in Special Value Continuation Partners, LP, a Delaware Limited Partnership (the "Operating Company"), of which the Holding Company owns 100% of the common limited partner interests, or in one of the Operating Company's wholly-owned subsidiaries, TCPC Funding I, LLC ("TCPC Funding") and TCPC SBIC, LP (the "SBIC"). The Operating Company has also elected to be treated as a BDC under the 1940 Act. The General Partner of the Operating Company is SVOF/MM, LLC ("SVOF/MM"), which also serves as the administrator ("Administrator") of the Holding Company and the Operating Company. The managing member of SVOF/MM is Tennenbaum Capital Partners, LLC (the "Advisor"), which serves as the investment manager to the Holding 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.

The SBIC was organized as a Delaware limited partnership in June 2013. On April 22, 2014, the SBIC 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 Holding Company has elected to be treated as a regulated investment company ("RIC") for U.S. federal income tax purposes. As a RIC, the Holding 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.

As of March 31, 2014, our leverage program was comprised of $116 million in available debt under a senior secured revolving credit facility issued by the Operating Company (the "Operating Company Facility"), $150 million in available debt under a senior secured revolving credit facility issued by TCPC Funding, (the "TCPC Funding Facility," and, together with the Operating Company Facility, the "Revolving Facilities"), and $134 million of outstanding preferred limited partner interests in the Operating Company (the "Preferred Interests," and, together with the Revolving Facilities, the "Leverage Program").

To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute to our stockholders generally at least 90% of our investment company taxable income, as defined by the Internal Revenue Code of 1986, as amended, for each year. Pursuant to this election, we generally will not have to pay

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corporate level taxes on any income that we distribute to our stockholders provided that we satisfy those requirements.

Investments

Our level of investment activity can and does vary substantially from period to period depending on many factors, including the amount of debt and equity capital available to middle-market companies, the level of merger and acquisition activity, the general economic environment and the competitive environment for the types of investments we make.

As a BDC, we are required to comply with certain regulatory requirements. For instance, we generally have to invest at least 70% of our total assets in "qualifying assets," including securities and indebtedness of private U.S. companies, public U.S. operating companies whose securities are not listed on a national securities exchange or registered under the Securities Exchange Act of 1934, as amended, public domestic operating companies having a market capitalization of less than $250 million, cash, cash equivalents, U.S. government securities and high-quality debt investments that mature in one year or less. We are also permitted to make certain follow-on investments in companies that were eligible portfolio companies at the time of initial investment but that no longer meet the definition. As of March 31, 2014, 88.3% of our total assets were invested in qualifying assets.

Revenues

We generate revenues primarily in the form of interest on the debt we hold. We also generate revenue from dividends on our equity interests and capital gains on the sale of warrants and other debt or equity interests that we acquire. Our investments in fixed income instruments generally have an expected maturity of three to five years, although we have no lower or upper constraint on maturity. Interest on our debt investments is generally payable quarterly or semi-annually. Payments of principal of our debt investments may be amortized over the stated term of the investment, deferred for several years or due entirely at maturity. In some cases, our debt investments and preferred stock investments may defer payments of cash interest or dividends or PIK. Any outstanding principal amount of our debt investments and any accrued but unpaid interest will generally become due at the maturity date. In addition, we may generate revenue in the form of prepayment fees, commitment, origination, structuring or due diligence fees, fees for providing significant managerial assistance, consulting fees and other investment related income.

Expenses

Our primary operating expenses include the payment of a base management fee and, depending on our operating results, incentive compensation, expenses reimbursable under the management agreement, administration fees and the allocable portion of overhead under the administration agreement. The base management fee and incentive compensation remunerates the Advisor for work in identifying, evaluating, negotiating, closing and monitoring our investments. Our administration agreement with SVOF/MM, LLC (the "Administrator") provides that the Administrator may be reimbursed for costs and expenses incurred by the Administrator for office space rental, office equipment and utilities allocable to us under the administration agreement, as well as any costs and expenses incurred by the Administrator or its affiliates relating to any non-investment advisory, administrative or operating services provided by the Administrator or its affiliates to us. We also bear all other costs and expenses of our operations and transactions (and the Holding Company's common

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stockholders indirectly bear all of the costs and expenses of the Holding Company, the Operating Company, TCPC Funding and the SBIC), which may include those relating to:

- our organization;
- calculating our net asset value (including the cost and expenses of any independent valuation firms);
- interest payable on debt, if any, incurred to finance our investments;
- costs of future offerings of our common stock and other securities, if any;
- the base management fee and any incentive compensation;
- dividends and distributions on our preferred shares, if any, and common shares;
- administration fees payable under the administration agreement;
- fees payable to third parties relating to, or associated with, making investments;
- transfer agent and custodial fees;
- registration fees;
- listing fees;
- taxes;
- director fees and expenses;
- costs of preparing and filing reports or other documents with the SEC;
- costs of any reports, proxy statements or other notices to our stockholders, including printing costs;
- our fidelity bond;
- directors and officers/errors and omissions liability insurance, and any other insurance premiums;

- indemnification payments;

- direct costs and expenses of administration, including audit and legal costs; and

- all other expenses reasonably incurred by us and the Administrator in connection with administering our business, such as the allocable portion of overhead under the administration agreement, including rent and other allocable portions of the cost of certain of our officers and their respective staffs.

The investment management agreement provides that the base management fee be calculated at an annual rate of 1.5% of our total assets (excluding cash and cash equivalents) payable quarterly in arrears. For purposes of calculating the base management fee, "total assets" is determined without deduction for any borrowings or other liabilities. The base management fee is calculated based on the value of our total assets (excluding cash and cash equivalents) at the end of the most recently completed calendar quarter.

Additionally, the investment management agreement and the Amended and Restated Limited Partnership Agreement provide that the Advisor or its affiliates may be entitled to incentive compensation under certain circumstances. The incentive compensation equals the sum of (1) 20% of all ordinary income since January 1, 2013 and (2) 20% of all net realized capital gains (net of any net unrealized capital depreciation) since January 1, 2013, with each component being subject to a total return requirement of 8% of contributed common equity annually. The incentive compensation is payable to the General Partner by the Operating Company pursuant to the Amended and Restated Limited Partnership Agreement. If the Operating Company is terminated or for any other reason incentive compensation is not paid by the Operating Company, it would be paid pursuant to the investment management agreement between us and the Advisor. The determination of incentive compensation is subject to limitations under the 1940 Act and the Advisers Act.

Critical accounting policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Changes in the economic environment, financial markets and any other parameters used in determining such estimates could cause actual results to differ. Management considers the following critical accounting policies important to understanding the financial statements. In addition to the discussion below, our critical accounting policies are further described in the notes to our financial statements.

Valuation of portfolio investments

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 90 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

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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 market 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 the Advisor provide recent portfolio company financial statements and other reporting materials to independent valuation firms approved 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 the Advisor.

The fair value of smaller investments comprising in the aggregate less than 5% of our total capitalization may be determined by the Advisor in good faith in accordance with our valuation policy without the employment of an independent valuation firm.

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 the 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.

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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.

As of March 31, 2014, 0.1% of our investments were categorized as Level 1, 16.9% were categorized as Level 2, 81.8% were Level 3 investments valued based on valuations by independent third party sources, and 1.2% were Level 3 investments valued based on valuations by the Advisor.

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

Revenue recognition

Interest and dividend income, including income paid in kind, is recorded on an accrual basis to the extent that such amounts are determined to be collectible. Origination, structuring, closing, commitment and other upfront fees earned with respect to capital commitments are generally amortized or accreted into interest income over the life of the respective 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 received upon the early repayment of a loan or debt security are included in interest income.

Certain of our debt investments are purchased at a considerable discount to par as a result of the underlying credit risks and financial results of the issuer, as well as general market factors that influence the financial markets as a whole. GAAP generally requires that discounts on the acquisition of corporate bonds, municipal bonds and treasury bonds be amortized using the effective-interest or constant-yield method. GAAP also requires that we consider the collectability of interest when making accruals.

Accordingly, when accounting for purchase discounts, we recognize discount accretion income when it is probable that such amounts will be collected.

Net realized gains or losses and net change in unrealized appreciation or depreciation

We measure realized gains or losses by the difference between the net proceeds from the repayment or sale and the amortized cost basis of the investment, without regard to unrealized appreciation or depreciation previously recognized. Realized gains and losses are computed using the specific identification method. Net change in unrealized appreciation or depreciation reflects the change in portfolio investment values during the reporting period, including the reversal of previously recorded unrealized appreciation or depreciation when gains or losses are realized.

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Portfolio and investment activity

During the three months ended March 31, 2014, we invested approximately $110.4 million across 8 new and 3 existing portfolio companies. Of these investments, 99% were in senior secured debt comprised of senior loans ($97.1 million, or 88% of the total) and senior secured notes ($13.0 million, or 11% of the total). The remaining $0.3 million (1% of the total) were comprised of two equity investments and PIK payments received on investments in unsecured debt. Additionally, we received approximately $66.9 million in proceeds from sales or repayments of investments during the three months ended March 31, 2014.

At March 31, 2014, our investment portfolio of $815.7 million (at fair value) consisted of 70 portfolio companies and was invested 96% in debt investments, of which 99% was in senior secured debt and 1% in unsecured or subordinated debt. In aggregate, our investment portfolio was invested 77% in senior secured loans, 18% in senior secured notes, 1% in unsecured or subordinated debt, and 4% in equity investments. Our average portfolio company investment at fair value was approximately $11.7 million. Our largest portfolio company investment by value was approximately $29.9 million and our five largest portfolio company investments by value comprised approximately 13% of our portfolio at March 31, 2014. At December 31, 2013, our investment portfolio of $766.3 million (at fair value) consisted of 67 portfolio companies and was invested 95% in debt investments, of which 98% was in senior secured debt and 2% in unsecured or subordinated debt. In aggregate, our investment portfolio was invested 76% in senior secured loans, 17% in senior secured notes, 2% in unsecured or subordinated debt, and 5% in equity investments. Our average portfolio company investment at fair value was approximately $11.4 million. Our largest portfolio company investment by value was approximately $21.3 million and our five largest portfolio company investments by value comprised approximately 13% of our portfolio at December 31, 2013.

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The industry composition of our portfolio at fair value at March 31, 2014 was as follows:

Industry	Percent of Total Investments
Computer Systems Design and Related Services	10.1%
Software Publishers	7.2%
Wireless Telecommunications	4.0%
Newspaper, Periodical, Book, and Directory Publishers	3.8%
Nondepository Credit Intermediation	3.2%
Radio and Television Broadcasting	3.1%
Wired Telecommunications Carriers	3.1%
Scheduled Air Transportation	2.6%
Communications Equipment Manufacturing	2.5%
Nonscheduled Air Transportation	2.4%
Retail	2.2%
Advertising, Public Relations, and Related Services	2.2%
Scientific Research and Development Services	2.2%
Chemical Manufacturing	2.1%
Electric Power Generation, Transmission and Distribution	2.1%
Business Support Services	2.1%
Electrical Equipment and Component Manufacturing	2.1%
Activities Related to Real Estate	2.0%
Textile Furnishings Mills	2.0%
Professional, Scientific, and Technical Services	2.0%
Full-Service Restaurants	1.9%
Oil and Gas Extraction	1.9%
Motion Picture and Video Industries	1.9%
Structured Note Funds	1.9%
Basic Chemical Manufacturing	1.8%
Grocery Stores	1.8%
Plastics Products Manufacturing	1.8%
Other Telecommunications	1.7%
Semiconductor and Other Electronic Component Manufacturing	1.7%
Gaming Industries	1.7%
Lessors of Real Estate	1.7%
Insurance Carriers	1.4%
Artificial Synthetic Fibers and Filaments Manufacturing	1.4%
Fabricated Metal Product Manufacturing	1.3%
Satellite Telecommunications	1.3%
Nonresidential Building Construction	1.2%
Specialty Hospitals	1.2%
Merchant Wholesalers	1.1%
Computer Equipment Manufacturing	1.1%
Data Processing, Hosting, and Related Services	1.0%
Beverage Manufacturing	1.0%
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	1.0%
Other	4.2%
Total	100.0%

The weighted average effective yield of the debt securities in our portfolio was 10.8% at March 31, 2014 and 10.9% at December 31, 2013. The weighted average effective yields on

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our senior debt and other debt investments were 10.7% and 4.1%, respectively, at March 31, 2014, versus 10.9% and 13.1% at December 31, 2013.

At March 31, 2014, 73.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate, and 26.6% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.5% at March 31, 2014. At December 31, 2013, 71.2% of our debt investments bore interest based on floating rates, and 28.8% bore interest at fixed rates. The percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.1% at December 31, 2013.

Results of operations

Investment income

Investment income totaled $22.7 million and $16.9 million, respectively, for the three months ended March 31, 2014 and 2013, of which $19.7 million and $16.5 million were attributable to interest and fees on our debt investments, $2.0 million and $0.0 million to dividends from equity securities, and $1.0 million and $0.4 million to other income, respectively. The increase in investment income in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 reflects an increase in interest income due to the larger investment portfolio and a higher percentage of the portfolio in income-producing assets in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 and an increase in dividend income and other income.

Expenses

Total operating expenses for the three months ended March 31, 2014 and 2013 were $4.9 million and $2.9 million respectively, comprised of $2.9 million and $2.0 million in base management fees, $0.2 million and $0.1 million in legal and professional fees, $0.6 million and $0.2 million in interest expense and fees related to the Revolving Facilities, $0.4 million and $0.1 million in amortization of debt issuance costs, and $0.8 million and $0.5 million in other expenses, respectively. The increase in expenses in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increase in management fees due to the larger portfolio and the increase in interest expense and other costs related to the increase in available and outstanding debt.

Net investment income

Net investment income was $17.8 million and $14.0 million respectively, for the three months ended March 31, 2014 and 2013. The increase in in net investment income in the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increased interest and dividend income in the three months ended March 31, 2014, partially offset by the increase in expenses.

Net realized and unrealized gain or loss

Net realized gains (losses) for the three months ended March 31, 2014 and 2013 were $(6.8) million and $0.5 million respectively. The net realized loss during the three months ended March 31, 2014 was due primarily to the disposition of our investment in ESP Holdings, Inc., an investment made prior to our initial public offering as part of our legacy distressed strategy. For the three months ended March 31, 2014 and 2013, the change in net unrealized appreciation was $12.0 million and $1.8 million, respectively.

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Income tax expense, including excise tax

The Holding Company has elected to be treated as a RIC under Subchapter M of the Internal Revenue Code ("the Code") and operates in a manner so as to qualify for the tax treatment applicable to RICs. To qualify as a RIC, the Holding Company must, among other things, timely distribute to its stockholders generally at least 90% of its investment company taxable income, as defined by the Code, for each year. The Holding Company has made and intends to continue to make the requisite distributions to its stockholders which will generally relieve the Holding Company from U.S. federal income taxes.

Depending on the level of taxable income earned in a tax year, we may choose to carry forward taxable income in excess of current year dividend distributions from such current year taxable income into the next tax year and pay a 4% excise tax on such income. Any excise tax expense is recorded at yearend as such amounts are known. There was no U.S. federal excise tax recorded during the three months ended March 31, 2014 and 2013.

Dividends to preferred equity holders

Dividends on the Preferred Interests for the three months ended March 31, 2014 and 2013 were $0.4 million and $0.4 million, respectively, as average LIBOR rates for the two periods were similar.

Incentive compensation

Incentive compensation distributable to the General Partner for the three months ended March 31, 2014 and 2013 was $3.5 million and $2.7 million, respectively. Incentive compensation for the three months ended March 31, 2014 and 2013 was distributable due to our performance exceeding the total return threshold. The change in reserve for incentive compensation to the General Partner for the three months ended March 31, 2014 and 2013 was $1.0 million and $0.5 million, respectively. The change in reserve for incentive compensation for the three months ended March 31, 2014 and 2013 reflects the increase in the amount in excess of distributable incentive compensation which would have been earned by the General Partner had we liquidated at net asset value at March 31, 2014 and 2013, respectively.

Net increase or decrease in net assets resulting from operations

The net increase in net assets resulting from operations was $18.1 million and $12.8 million for the three months ended March 31, 2014 and 2013, respectively. The higher net increase in net assets resulting from operations for the three months ended March 31, 2014 compared to the three months ended March 31, 2013 primarily reflects the increase in net investment income and the increase in net realized and unrealized gains.

Liquidity and capital resources

Since our inception, our liquidity and capital resources have been generated primarily through the initial private placement of common shares of Special Value Continuation Fund, LLC (the predecessor entity) which were subsequently converted to common stock of the Holding Company, the net proceeds from the initial and secondary public offerings of our common stock, draws on our Leverage Program, and cash flows from operations, including investments sales and repayments and income earned from investments and cash equivalents. The primary uses of cash have been investments in portfolio companies, cash distributions to our equity holders, payments to service our Leverage Program and other general corporate purposes.

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On May 17, 2013, the Leverage Program was expanded with the issuance of the TCPC Funding Facility. This facility is a senior secured revolving credit facility, pursuant to which amounts may be drawn up to $150 million subject to certain collateral and other restrictions. The facility is expandable to $200 million subject to the consent of the lender and other customary conditions.

Amounts outstanding and available under the combined Leverage Program at March 31, 2014 were as follows:

	Rate*	Outstanding	Available	Total Facility
Operating Company Facility	L+44	$ 82,000,000	$ 34,000,000	$ 116,000,000
TCPC Funding Facility	L+250	75,000,000	75,000,000	150,000,000
Preferred Interests	L+85	134,000,000		134,000,000
Total Leverage Program		$ 291,000,000	$ 109,000,000	$ 400,000,000

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

Net cash used in operating activities during the three months ended March 31, 2014 was $43.7 million. Our primary use of cash in operating activities during this period consisted of the settlement of acquisitions of investments (net of dispositions) of $42.4 million, partially offset by net investment income less preferred dividends and incentive allocation (net of non-cash income and expenses) of approximately $1.3 million.

Net cash provided by financing activities was $47.8 million during the three months ended March 31, 2014, consisting primarily of $62.0 million of net draws under our Revolving Facilities, reduced by $13.0 million of dividends on common equity, $0.4 million of dividends on the Preferred Interests, and payment of $0.8 million in debt issuance costs.

At March 31, 2014, we had $27.1 million in cash and cash equivalents.

The Revolving Facilities are secured by substantially all of the assets in our portfolio, including cash and cash equivalents, and are subject to compliance with customary affirmative and negative covenants, including the maintenance of a minimum shareholders' equity, the maintenance of a ratio of not less than 200% of total assets (less total liabilities other than indebtedness) to the sum of total preferred equity and indebtedness, and restrictions on certain payments and issuance of debt. Economic conditions, like those that began in 2007 and which have continued, may result in a decrease in the value of our investments, which would affect both the asset coverage ratios and the value of the collateral securing the Revolving Facilities, and may therefore impact our ability to borrow under the Revolving Facilities. In addition to regulatory restrictions that restrict our ability to raise capital, the Leverage Program contains various covenants which, if not complied with, could accelerate repayment under the Revolving Facilities or require redemption of the Preferred Interests, thereby materially and adversely affecting our liquidity, financial condition and results of operations. At March 31, 2014, we were in compliance with all financial and operational covenants required by the Leverage Program.

Unfavorable economic conditions, while potentially creating attractive opportunities for us, may decrease liquidity and raise the cost of capital generally, which could limit our ability to renew, extend or replace the Leverage Program on terms as favorable as are currently included therein. If we are unable to renew, extend or replace the Leverage Program upon the various dates of maturity, we expect to have sufficient funds to repay the outstanding balances in full from our net investment income and sales of, and repayments of principal from, our portfolio company investments, as well as from anticipated debt and equity capital raises, among other sources. Unfavorable economic conditions may limit our ability to raise

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capital or the ability of the companies in which we invest to repay our loans or engage in a liquidity event, such as a sale, recapitalization or initial public offering. The Operating Company Facility matures in July 2016 and the Preferred Interests will be subject to mandatory redemption in July 2016. The TCPC Funding Facility matures in May 2017. Any inability to renew, extend or replace the Revolving Facilities or replace the Preferred Interests could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders.

Challenges in the market are intensified for us by certain regulatory limitations under the Code and the 1940 Act. To maintain our qualification as a RIC, we must satisfy, among other requirements, an annual distribution requirement to pay out at least 90% of our ordinary income and short-term capital gains to our stockholders. Because we are required to distribute our income in this manner, and because the illiquidity of many of our investments may make it difficult for us to finance new investments through the sale of current investments, our ability to make new investments is highly dependent upon external financing. While we anticipate being able to continue to satisfy all covenants and repay the outstanding balance under the Leverage Program when due, there can be no assurance that we will be able to do so, which could lead to an event of default.

Contractual obligations

In addition to obligations under our Leverage Program, we have entered into several contracts under which we have future commitments. Pursuant to an investment management agreement, the Advisor manages our day-to-day operations and provides investment advisory services to us. Payments under the investment management agreement will be equal to a percentage of the value of our gross assets (excluding cash and cash equivalents) and an incentive compensation, plus reimbursement of certain expenses incurred by the Advisor. Under our administration agreement, the Administrator provides us with administrative services, facilities and personnel. Payments under the administration agreement are equal to an allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to us, and may include rent and our allocable portion of the cost of certain of our officers and their respective staffs. We are responsible for reimbursing the Advisor for due diligence and negotiation expenses, fees and expenses of custodians, administrators, transfer and distribution agents, counsel and directors, insurance, filings and registrations, proxy expenses, expenses of communications to investors, compliance expenses, interest, taxes, portfolio transaction expenses, costs of responding to regulatory inquiries and reporting to regulatory authorities, costs and expenses of preparing and maintaining our books and records, indemnification, litigation and other extraordinary expenses and such other expenses as are approved by the directors as being reasonably related to our organization, offering, capitalization, operation or administration and any portfolio investments, as applicable. The Advisor is not responsible for any of the foregoing expenses and such services are not investment advisory services under the 1940 Act. Either party may terminate each of the investment management agreement and administration agreement without penalty upon not less than 60 days' written notice to the other.

Distributions

Our quarterly dividends and distributions to common stockholders are recorded on the ex-dividend date. Distributions are declared considering our estimate of annual taxable income available for distribution to stockholders and the amount of taxable income carried over from the prior year for distribution in the current year. We do not have a policy to pay distributions at a specific level and expect to continue to distribute substantially all of our

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taxable income. We cannot assure stockholders that they will receive any distributions or distributions at a particular level.

The following tables summarize dividends declared for the three months ended March 31, 2014 and March 31, 2013:

Date Declared	Record Date	Payment Date	Amount Per Share	Total Amount
March 6, 2014	March 17, 2014	March 31, 2014	$ 0.36	$ 13,031,970
Total for three months ended March 31, 2014			$ 0.36	$ 13,031,970
March 7, 2013	March 18, 2013	March 29, 2013	$ 0.40*	$ 8,591,051
Total for three months ended March 31, 2013			$ 0.40	$ 8,591,051

* Includes a special dividend of $0.05.

The following table summarizes the total shares issued in connection with our dividend reinvestment plan for the three months ended March 31, 2014 and 2013:

	2014	2013
Shares Issued	104	1,104
Average Price Per Share	$ 16.55	$ 15.96
Proceeds	$ 1,717	$ 17,614

We have elected to be taxed as a RIC under Subchapter M of the Code. In order to maintain favorable RIC tax treatment, we must distribute annually to our stockholders at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, out of the assets legally available for distribution. In order to avoid certain excise taxes imposed on RICs, we must distribute during each calendar year an amount at least equal to the sum of:

- 98% of our ordinary income (not taking into account any capital gains or losses) for the calendar year;
- 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
- certain undistributed amounts from previous years on which we paid no U.S. federal income tax.

We may, at our discretion, carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on this income. If we choose to do so, all other things being equal, this would increase expenses and reduce the amounts available to be distributed to our stockholders. We will accrue excise tax on estimated taxable income as required. In addition, although we currently intend to distribute realized net capital gains (i.e., net long-term capital gains in excess of short-term capital losses), if any, at least annually, out of the assets legally available for such distributions, we may in the future decide to retain such capital gains for investment.

We have adopted an "opt in" dividend reinvestment plan for our common stockholders. 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,

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rather than having their dividends automatically reinvested in additional shares of our common stock.

We may not be able to achieve operating results that will allow us to make dividends and distributions at a specific level or to increase the amount of these dividends and distributions from time to time. Also, we may be limited in our ability to make dividends and distributions due to the asset coverage test applicable to us as a BDC under the 1940 Act and due to provisions in our existing and future credit facilities. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable RIC tax treatment. In addition, in accordance with U.S. generally accepted accounting principles and tax regulations, we include in income certain amounts that we have not yet received in cash, such as PIK interest, which represents contractual interest added to the loan balance that becomes due at the end of the loan term, or the accrual of original issue or market discount. Since we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement to distribute at least 90% of our investment company taxable income to obtain tax benefits as a RIC and may be subject to an excise tax.

In order to satisfy the annual distribution requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution would be treated as a dividend for U.S. federal income tax purposes.

Related Parties

We have entered into a number of business relationships with affiliated or related parties, including the following:

- Each of the Holding Company, the Operating Company, TCPC Funding, and the SBIC has entered into an investment management agreement with the Advisor.

- The Administrator provides us with administrative services necessary to conduct our day-to-day operations. For providing these services, facilities and personnel, the Administrator may be reimbursed by us for expenses incurred by the Administrator in performing its obligations under the administration agreement, including our allocable portion of the cost of certain of our officers and the Administrator's administrative staff and providing, at our request and on our behalf, significant managerial assistance to our portfolio companies to which we are required to provide such assistance.

- We have entered into a royalty-free license agreement with the Advisor, pursuant to which the Advisor has agreed to grant us a non-exclusive, royalty-free license to use the name "TCP."

- Pursuant to its limited partnership agreement, the general partner of the Operating Company is SVOF/MM, LLC. SVOF/MM, LLC is an affiliate of the Advisor and the general partners or managing member of certain other funds managed by the Advisor.

The Advisor and its affiliates, employees and associates currently do and in the future may manage other funds and accounts. The Advisor and its affiliates may determine that an investment is appropriate for us and for one or more of those other funds or accounts. Accordingly, conflicts may arise regarding the allocation of investments or opportunities among us and those accounts. In general, the Advisor will allocate investment opportunities pro rata among us and the other funds and accounts (assuming the investment satisfies the objectives of each) based on the amount of committed capital each then has available. The allocation of certain investment opportunities in private placements is subject to independent director approval pursuant to the terms of the co-investment exemptive order applicable to

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us. 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 funds or accounts desire to sell it or we may not have additional capital to invest at a time the other funds or accounts do. If the Advisor is unable to manage our investments effectively, we may be unable to achieve our investment objective. In addition, the Advisor may face conflicts in allocating investment opportunities between us and certain other entities that could impact our investment returns. While our ability to enter into transactions with our affiliates is restricted under the 1940 Act, we have received an exemptive order from the SEC permitting certain affiliated investments subject to certain conditions. As a result, we may face conflict of interests and investments made pursuant to the exemptive order conditions which could in certain circumstances affect adversely the price paid or received by us or the availability or size of the position purchased or sold by us.

Recent Developments

On April 22, 2014, our wholly owned subsidiary, TCPC SBIC received an SBIC license from the SBA. We have requested exemptive relief from the SEC to permit 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. If granted, the exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting TCPC SBIC to borrow up to $150 million more than it would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, would be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we could have more debt outstanding than assets to cover such debt.

TCPC SBIC relies on Section 3(c)(7) of the 1940 Act for an exclusion from the definition of "investment company" under the 1940 Act. TCPC SBIC follows the same investment objective and strategy as the Holding Company with a focus on smaller companies. SBICs are designed to stimulate the flow of private equity capital to eligible small businesses. Under present SBA regulations, eligible small businesses generally include businesses that have a tangible net worth not exceeding $18.0 million and have average annual fully taxed net income not exceeding $6.0 million for the two most recent fiscal years. An SBIC must devote 25.0% of its investment activity to "smaller" enterprises as defined by the SBA. A smaller enterprise is generally 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. Under the SBA Act and current SBA policy applicable to SBICs, an SBIC can have outstanding at any time SBA guaranteed debentures up to twice the amount of its regulatory capital. Under the 1940 Act, the leverage limitations generally applicable to BDCs do not apply to debt of SBICs held or guaranteed by the SBA. In order to ensure that this relief is applicable to the Company upon consolidation of TCPC SBIC, the Company has applied for exemptive relief from the SEC to permit it to exclude the debt of TCPC SBIC guaranteed by the SBA from the definition of senior securities in the 200% asset coverage ratio the Company is required to maintain under the 1940 Act.

Effective as of April 28, 2014, Todd Jaquez-Fissori joined the Holding Company as a Managing Director.

On May 8, 2014, the Company's board of directors declared a regular second quarter cash dividend of $0.36 per share and a $0.05 per share special dividend. Both dividends were paid on June 30, 2014 to stockholders of record as of the close of business on June 18, 2014.

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On May 23, 2014, TCPC SBIC received a $75.0 million leverage commitment from the SBA.

On June 9, 2014, we exercised the accordion feature of the TCPC Funding Facility and increased the aggregate principal commitment amount to $200.0 million. The accordion feature was also expanded to $250.0 million, subject to consent of the administrative agent and other customary conditions.

On June 17, 2014, we closed a private placement of $100.0 million aggregate principal amount of 5.25% convertible senior unsecured notes due 2019 (the "2019 Notes"). The 2019 Notes bear interest at a rate of 5.25% per year, payable semiannually on June 15 and December 15 each year, beginning December 15, 2014. The 2019 Notes will mature on December 15, 2019. In certain circumstances, the 2019 Notes will be convertible into shares of our common stock based on an initial conversion rate of 50.9100 shares of our common stock per $1,000.0 principal amount of the 2019 Notes, which is equivalent to an initial conversion price of approximately $19.64 per share of common stock, subject to customary anti-dilution adjustments.

On June 27, 2014, the initial purchasers in the 2019 Notes offering exercised their overallotment option and purchased an additional $8.0 million in aggregate principal amount of the 2019 Notes. With the exercise of the overallotment option, a total of $108.0 million in aggregate principal amount of the 2019 Notes were issued and outstanding as of June 27, 2014. Net proceeds to us from the 2019 Notes offering, including the exercise of the overallotment option, were approximately $104.8 million.

From April 1, 2014 through June 30, 2014, we invested approximately $168.6 million in senior secured loans to nine new and five existing portfolio companies with a weighted average effective yield of 9.9%. Additionally, we received approximately $87.9 million in proceeds from sales or repayments of investments during the three months ended June 30, 2014.

Net combined leverage was approximately 0.63 times net equity at June 30, 2014 and approximately 0.69 times net equity at July 24, 2014.

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are subject to financial market risks, including changes in interest rates. At March 31, 2014, 73.4% of our debt investments bore interest based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate or the Prime Rate. The interest rates on such investments generally reset by reference to the current market index after one to six months. At March 31, 2014, the percentage of our floating rate debt investments that bore interest based on an interest rate floor was 92.5%. Floating rate investments subject to a floor generally reset by reference to the current market index after one to six months only if the index exceeds the floor.

Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. We assess our portfolio companies periodically to determine whether such companies will be able to continue making interest payments in the event that interest rates increase. There can be no assurances that the portfolio companies will be able to meet their contractual obligations at any or all levels of increases in interest rates.

Based on our March 31, 2014 balance sheet, the following table shows the annual impact on net income (excluding the related incentive compensation impact) of base rate changes in interest rates (considering interest rate floors for variable rate instruments) assuming no changes in our investment and borrowing structure:

Basis Point Change	Interest income	Interest Expense	Net Income
Up 300 basis points	$ 11,613,205	$ (8,730,000)	$ 2,883,205
Up 200 basis points	$ 6,142,664	$ (5,820,000)	$ 322,664
Up 100 basis points	$ 3,264,456	$ (2,910,000)	$ 354,456
Down 100 basis points	$ (128,955)	$ 681,231	$ 552,276
Down 200 basis points	$ (128,955)	$ 681,231	$ 552,276
Down 300 basis points	$ (128,955)	$ 681,231	$ 552,276

USE OF PROCEEDS

The net proceeds of the offering are estimated to be approximately $90.4 million (or approximately $104.0 million if the underwriters exercise their option to purchase additional shares in full), after deducting the underwriting discounts and commissions and estimated offering expenses of approximately $400,000 payable by us.

We intend to use the net proceeds from this offering to repay amounts outstanding under the Revolving Facilities, if any, (which will increase the funds under the Revolving Facilities available to us to make additional investments in portfolio companies) and to make investments in portfolio companies in accordance with our investment objective and for other general corporate purposes, including payment of operating expenses. We anticipate that substantially all of such remainder of the net proceeds of the offering will be invested in accordance with our investment objective within six to twelve months following completion of the offering, depending on the availability of appropriate investment opportunities consistent with our investment objective and market conditions. We cannot assure you that we will achieve our targeted investment pace.

As of July 28, 2014, we had $65.0 million outstanding under the Operating Company Facility, with advances generally bearing interest at LIBOR plus 0.44%, subject to certain limitations. The Operating Company Facility matures July 31, 2016.

As of July 28, 2014, we had $100.0 million outstanding under the TCPC Funding Facility, with advances generally bearing interest at LIBOR plus 2.50%, subject to certain limitations. The TCPC Funding Facility matures on May 15, 2017, subject to extension by the lender at our request for one 12-month period.

Pending investments in portfolio companies by the Company, the Company will invest the remaining net proceeds of an offering primarily in cash, cash equivalents, U.S. Government securities and other high-quality debt investments that mature in one year or less. These securities may have lower yields than our other investments and accordingly may result in lower distributions, if any, during such period. See "Regulation Temporary Investments" and "Management of the Company Investment Management Agreements" in the accompanying prospectus.

An affiliate of Deutsche Bank Securities Inc. is a lender under the TCPC Funding Facility. Accordingly, to the extent proceeds of this offering are used to repay outstanding indebtedness under the TCPC Funding Facility, an affiliate of Deutsche Bank Securities Inc. may receive more than 5% of the proceeds of this offering.

PRICE RANGE OF COMMON STOCK

Our common stock began trading on April 5, 2012 and is currently traded on The Nasdaq Global Select Market under the symbol "TCPC." The following table lists the high and low closing sale price for our common stock, the premium (discount) of the related closing sale price as a percentage of NAV and quarterly distributions per share since shares of our common stock began being regularly quoted on The Nasdaq Global Select Market.

	NAV(1)	Stock Price High(2)	Stock Price Low(2)	Premium (Discount) of High Sales Price to NAV(3)	Premium (Discount) of Low Sales Price to NAV(3)	Declared Distributions
Fiscal year ended December 31, 2012						
Second Quarter[4]	$ 14.70	$ 14.75	$ 13.80	0.3%	(6.1)%	$ 0.34
Third Quarter	14.79	15.96	14.23	7.9%	(3.8)%	0.35
Fourth Quarter	14.71	15.80	14.66	7.4%	(0.3)%	0.40[5]
Fiscal year ended December 31, 2013						
First Quarter	$ 14.91	$ 16.16	$ 14.64	8.4%	(1.8)%	$ 0.40[5]
Second Quarter	$ 14.94	$ 16.77	$ 15.01	12.2%	0.5%	$ 0.36
Third Quarter	$ 15.06	$ 16.80	$ 14.99	11.6%	(0.5)%	$ 0.36
Fourth Quarter	$ 15.18	$ 17.42	$ 15.98	14.8%	5.3%	$ 0.41[5]
Fiscal year ended December 31, 2014						
First Quarter	$ 15.32	$ 17.97	$ 16.36	17.3%	6.8%[6]	$ 0.36
Second Quarter	$ [6]	$ 18.31	$ 15.80	%[6]	%[6]	$ 0.41[5]
Third Quarter (to July 28, 2014)	$ [6]	$ 18.31	$ 17.57	%[6]	%[6]	$ [7]

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(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

(2) The High/Low Stock Price is calculated as of the closing price on a given day in the applicable quarter.

(3) Calculated as the respective High/Low Stock Price minus the quarter end NAV, divided by the quarter end NAV.

(4) From April 5, 2012 (initial public offering) to June 30, 2012.

(5) Includes a special dividend of $0.05 per share.

(6) NAV has not yet been finally determined for this period.

(7) Dividend has not yet been declared for this period.

On July 28, 2014, the closing price of our common stock was $17.77 per share. As of July 28, 2014, we had 35 stockholders of record.

The table below sets forth each class of our outstanding securities as of July 28, 2014.

Title of Class	**Amount Authorized**	**Amount Held by Registrant or for its Account**	**Amount Outstanding**
Common Stock	200,000,000		36,200,130

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CAPITALIZATION

The following table sets forth (1) our actual capitalization at March 31, 2014, (2) our capitalization on an as adjusted basis giving effect to the issuance of the 2019 Notes and (3) our capitalization on an as further adjusted basis giving effect to the issuance of the 2019 Notes and the sale of 5,400,000 shares of our common stock in this offering at the public offering price of $17.33 per share, after deducting the underwriting discounts and commissions and offering expenses payable by us and the application of the estimated net proceeds of this offering. You should read this table together with "Use of Proceeds" in this prospectus supplement and the accompanying prospectus.

	As of March 31, 2014		
	Actual	As Adjusted for Issuance of the 2019 Notes	As Further Adjusted for this Offering
Assets:			
Cash and cash equivalents	$ 27,141,436	$ 27,141,436	$ 68,515,976
Investments	815,657,748	815,657,748	815,657,748
Other assets	14,582,851	14,582,851	14,582,851
Total assets	$ 857,382,035	$ 857,382,035	$ 898,756,575
Liabilities:			
Operating Company Facility[(1)]	$ 82,000,000	$ 0	$ 0
TCPC Funding Facility[(1)]	75,000,000	49,000,000	0
2019 Notes[(2)]		108,000,000	108,000,000
Other liabilities	9,013,064	9,013,064	9,013,064
Total liabilities	$ 166,013,064	$ 166,013,064	$ 117,013,064
Stockholders' equity:			
Preferred Interests[(3)], $20,000/share liquidation preference; 6,700 shares authorized, 6,700 preferred interests issued and outstanding, actual; 6,700 preferred interests issued and outstanding, pro forma	$ 134,000,000	$ 134,000,000	$ 134,000,000
Accumulated dividends on Preferred Interests	493,757	493,757	493,757
General Partner interest in Special Value Continuation Partners, LP	2,204,587	2,204,587	2,204,587
Common stock, par value $0.001 per share; 200,000,000 shares of common stock authorized; 36,200,020 stock issued and outstanding, actual; 41,600,020 shares of common stock issued and outstanding, pro forma	36,200	36,200	41,600
Preferred stock, par value $0.001 per share; 100,000,000 shares of preferred stock authorized; no shares of preferred stock issued and outstanding, actual; no shares of preferred stock issued and outstanding, pro forma			
Paid-in capital in excess of par value	667,843,737	667,843,737	758,212,877
Accumulated net investment income	24,929,736	24,929,736	24,929,736
Accumulated net realized losses	(112,595,624)	(112,595,624)	(112,595,624)
Accumulated net unrealized depreciation	(23,338,835)	(23,338,835)	(23,338,835)

Non-controlling interest		(2,204,587)		(2,204,587)		(2,204,587)
Net assets applicable to common shareholders	$	554,670,627	$	554,670,627	$	645,045,167
Total capitalization	$	857,382,035	$	857,382,035	$	898,756,575

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