

TCP Capital Corp.
Form 497
August 12, 2016
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PROSPECTUS SUPPLEMENT
(To Prospectus dated May 6, 2016)

Up to \$100,000,000

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 100% of the combined common equity and general partner interests in the Operating Company as of June 30, 2016. We and the Operating Company are externally managed, closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the Investment Company Act of 1940 (the **1940 Act**). Our and the Operating Company's investment objective is to achieve high total returns through current income and capital appreciation, with an emphasis on principal protection. Both we and the Operating Company seek to achieve this investment objective primarily through investments in debt securities of middle-market companies as well as small businesses. 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. Our Advisor is a leading investment manager and specialty lender to middle-market companies that had in excess of \$6.1 billion in capital commitments from investors (committed capital) under management as of June 30, 2016, approximately 24.6% of which consists of our committed capital. SVOF/MM, LLC, an affiliate of our Advisor, is the Operating Company's general partner and provides the administrative services necessary for us to operate.

We have entered into an equity distribution agreement, dated as of August 12, 2016, with Raymond James & Associates, Inc. (the **Agent**) under which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to \$100,000,000 through the Agent, as our agent.

Sales of our common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be **at the market** offerings, including sales made directly on the NASDAQ Global Select Market or sales made to or through a market maker other than on an exchange.

From time to time during the term of the equity distribution agreement, we may deliver a placement notice to the Agent specifying the length of the selling period, the amount of shares to be sold and the minimum price below which sales may not be made. Upon the Agent's acceptance of the terms of a placement notice from us, the Agent will use its commercially reasonable efforts, consistent with its sales and trading practices, to solicit offers to purchase our common stock under the terms and subject to the conditions set forth in the equity distribution agreement. The Agent is not required to sell any specific number or dollar amount of common stock. Shares of our common stock to which this prospectus supplement relates will be sold only through the Agent on any given day. The offering of shares of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of shares

having an aggregate offering price of \$100,000,000 or (2) the termination of the equity distribution agreement so that the Agent no longer remains subject thereto. We may also sell our common stock to the Agent as principal for its own account at prices agreed upon at the time of sale. We will pay the Agent a commission for its services in acting as sales agent and/or principal in the sale of shares. The Agent will be entitled to compensation that will not exceed, but may be up to, 2.0% of the gross sales price of all shares sold through it under the equity distribution agreement. See Plan of Distribution on page S-32 of this prospectus supplement.

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 August 10, 2016 was \$16.09 per share. The offering price per share of our common stock sold in this offering less the Agent's 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 sell common stock pursuant to this offering.

You should read this prospectus supplement and the accompanying prospectus carefully before you invest in shares of our 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 August 12, 2016, 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. We maintain a website at <http://www.tpcapital.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-35 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 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-8 of this prospectus supplement and on page 20 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.

Raymond James

Prospectus Supplement dated August 12, 2016

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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 our 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, our Advisor or our portfolio companies;
- the ability of our 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 our 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, continue, remain, maintain, sustain, seek, achieve and similar expressions, or future or conditional verbs such as 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 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.

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You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, the Statement of Additional Information, dated August 12, 2016, 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 Agent has 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 Agent is 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 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 August 12, 2016 (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 our 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.

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, as amended, 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. 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 our Advisor, including its diverse in-house skills, proprietary deal flow, and consistent and rigorous investment process focused on established, middle-market companies. We expect to generate returns through a combination

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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. 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.

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 Operating Company. Our investment activities are externally managed by our Advisor, a leading investment manager with in excess of \$6.1 billion in capital commitments from investors (committed capital) under management, approximately 24.6% of which consists of the Holding Company s committed capital under management as of June 30, 2016, and a primary focus on providing financing to middle-market companies as well as small businesses. Additionally, the Holding Company expects that it will continue to seek to qualify as a regulated investment company, or RIC, under Subchapter M of the Internal Revenue Code, or the Code.

On April 22, 2014, TCPC SBIC, a wholly-owned subsidiary of the Operating Company, received a Small Business Investment Company (SBIC) license from the Small Business Administration (SBA). Pursuant to an exemptive order under the 1940 Act, we have been granted 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. For example, as of June 30, 2016, we had approximately \$1,268.0 million in assets less all liabilities and indebtedness not represented by debt securities issued by us or loans obtained by us, which would permit us to borrow up to approximately \$1,268.0 million, notwithstanding other limitations on our borrowings pursuant to our Leverage Program.

The exemptive relief provides us with increased flexibility under the 200% asset coverage test by permitting us to borrow up to \$150 million more than we would otherwise be able to absent the receipt of this exemptive relief. As a result, we, in effect, will be permitted to have a lower asset coverage ratio than the 200% asset coverage ratio limitation under the 1940 Act and, therefore, we can have more debt outstanding than assets to cover such debt. For example, we will be able to borrow up to \$150 million more than the approximately \$1,268.0 million permitted under the 200% asset coverage ratio limit as of June 30, 2016. For additional information on SBA regulations that affect our access to SBA-guaranteed debentures, see the accompanying prospectus Risk Factors — Risks Relating to Our Business — TCPC SBIC is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations.

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

Investment Portfolio

At June 30, 2016, our investment portfolio of \$1,231.5 million (at fair value) consisted of 89 portfolio companies and was invested 95.5% in debt investments, substantially all of which was in senior secured debt. In aggregate, our investment portfolio was invested 79.8% in senior secured loans, 15.7% in senior secured notes, and 4.5% in equity

investments. Our average portfolio company investment at fair value was approximately \$13.8 million. Our largest portfolio company investment by value was approximately \$45.4 million and our five largest portfolio company investments by value comprised approximately 15.3% of our portfolio at June 30, 2016. See the accompanying prospectus under Prospectus Summary—Investment Strategy for more information.

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Recent Developments

From July 1, 2016 through August 5, 2016, the Operating Company has invested approximately \$26.9 million primarily in five senior secured loans and notes, as well as equity interests in a portfolio of lease assets with a combined effective yield of approximately 9.7%.