



# BlackRock TCP Capital Corp. Investor Presentation

## Quarter Ended September 30, 2018

# Forward Looking Statements

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

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. These forward-looking statements do not meet the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act or Section 21E of the Securities Exchange Act. Actual results could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation, changes in general economic conditions or changes in the conditions of the industries in which the Company makes investments, risks associated with the availability and terms of financing, changes in interest rates, availability of transactions, and regulatory changes. Certain factors that could cause actual results to differ materially from those contained in the forward-looking statements are included in the "Risks" section of the Company's shelf registration statement declared effective on June 15, 2018, and the Company's subsequent periodic filings with the SEC. Copies are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and the Company's website at <http://www.tccapital.com>. Forward-looking statements are made as of the date of this presentation, or as of the prior date referenced in this presentation, and are subject to change without notice. The Company has no duty and does not undertake any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise.

# BlackRock TCP Capital Corp – Key Highlights

As of September 30, 2018

Who we are	What we do	How we do it
<p>Advised by <b>Tennenbaum Capital Partners</b> with a <b>20 year history</b> of success in direct lending</p>	<p><b>Value-oriented</b> investing focused on middle-market <b>direct lending</b></p>	<p><b>\$1.6 billion diversified portfolio</b> primarily composed of directly originated <b>senior secured floating rate loans</b> with 11.7% weighted average effective yield on debt portfolio<sup>(1)</sup></p>
<p><b>80+</b> team members, plus an Advisory Board of senior operating executives</p>	<p><b>Consistent dividend coverage</b> in all 26 quarters as a public company</p>	<p><b>Diversified low cost of financing</b> with \$1.0 billion leverage program at a 4.27% weighted average interest rate</p>
<p><b>BlackRock platform</b> provides a broad origination network, information advantage, and access to a demonstrated set of proprietary investment opportunities</p>	<p>Outperformed the Wells Fargo BDC Index by 23% since IPO driven by <b>strong historical returns</b></p>	<p><b>Strong governance and shareholder alignment</b> with an investor friendly advisory fee and share purchases by management and the board</p>

(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments that are distressed or on non-accrual status. Weighted average effective yield on the total portfolio (including debt investments that are distressed or on non-accrual status and equity investments) was 11.3% as of 9/30/2018.

Past performance does not guarantee future returns.

# Third Quarter 2018 Highlights

As of September 30, 2018

## Dividend Coverage

- Net investment income of \$0.42; dividends of \$0.36 per share

## Portfolio

- Effective yield on the debt portfolio increased to 11.7%<sup>(1)</sup>
- 92% of the total portfolio consists of senior secured debt
- 92% of the debt portfolio is floating rate

## Asset Coverage Ratio

- Board of Directors approved a decrease in the asset coverage requirement from 200% to 150% percent, effective on the earlier of November 7, 2019 or approval of the Company's shareholders

## Advisory Fee

- Along with modifying our asset coverage requirement, we expect to:
  - Lower the base management fee on assets financed with leverage above 1.0x debt to equity to 1.0% from 1.5%
  - Lower the incentive fee rate to 17.5% and the cumulative total return hurdle to 7%

## Rating Agency Action

- Moody's initiated coverage of TCPC at investment grade<sup>(2)</sup>

## Advisor Acquisition

- TCPC's advisor merged with BlackRock, effective August 1, 2018

(1) Weighted average annual effective yield includes amortization of deferred debt origination and end-of-term fees and accretion of original issue discount, but excludes market discount, any prepayment and make-whole fee income, and any debt investments that are distressed or on non-accrual status. Weighted average effective yield on the total portfolio (including debt investments that are distressed or on non-accrual status and equity investments) was 11.3% as of 9/30/2018.

(2) Coverage initiated November 7, 2018

*Past performance does not guarantee future returns.*

# Well-Covered and Consistent Dividend

- Net investment income of \$0.42 per share in Q3 2018
  - Quarterly dividend of \$0.36 per share paid on September 28, 2018
- Declared Q4 2018 dividend of \$0.36 per share
  - Payable on December 31, 2018 to holders of record as of December 17, 2018
- **Dividend covered in all 26 quarters since inception**

	2012 <sup>(1,2)</sup>	2013	2014	2015	2016	2017	1Q 2018	2Q 2018	3Q 2018
<b>Per Share</b>									
Regular dividend	\$1.04	\$1.43	\$1.44	\$1.44	\$1.44	\$1.44	\$0.36	\$0.36	\$0.36
Net investment income	\$1.42	\$1.65	\$1.55	\$1.64	\$1.51	\$1.59	\$0.37	\$0.41	\$0.42
<b>Regular dividend coverage</b>	<b>137%</b>	<b>115%</b>	<b>108%</b>	<b>114%</b>	<b>105%</b>	<b>110%</b>	<b>103%</b>	<b>114%</b>	<b>117%</b>
Special dividend	\$0.05	\$0.10	\$0.10						

(1) Incentive compensation was waived prior to January 1, 2013.

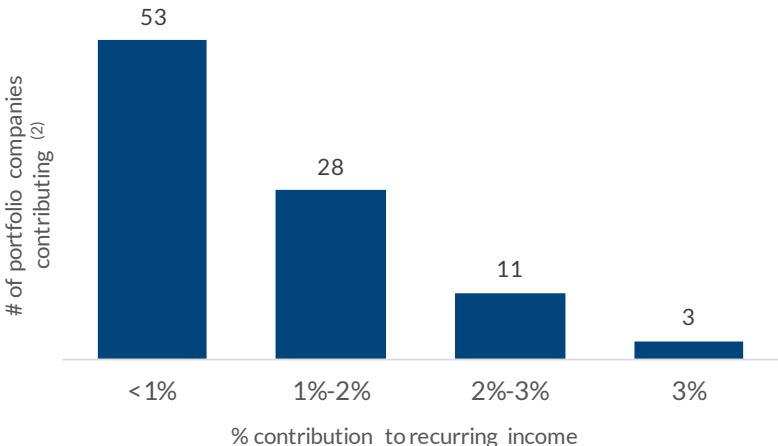
(2) Dividends and net investment income in 2012 reflect the 3 quarters post-IPO (Q2, Q3 and Q4).

*There is no guarantee that quarterly distributions will continue to be made at historical levels.*

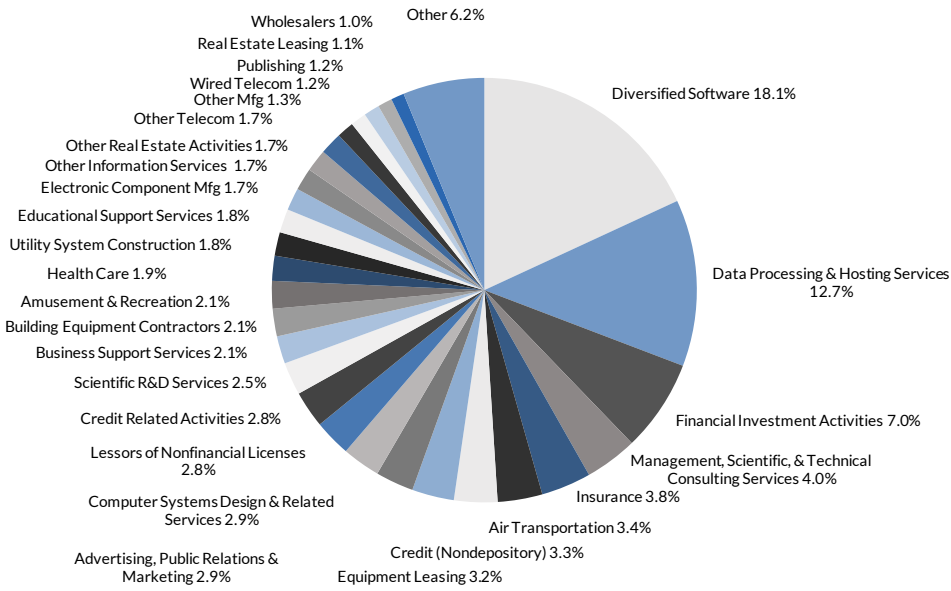
# Conservatively Positioned and Diversified Portfolio

- \$1.6 billion portfolio fair value
- Majority of our portfolio companies contribute <1% to recurring income
- 92% of portfolio is senior secured debt
- 11.7% weighted average effective yield on debt portfolio<sup>(1)</sup>

## Diversified Income Contribution



## Industry Diversification



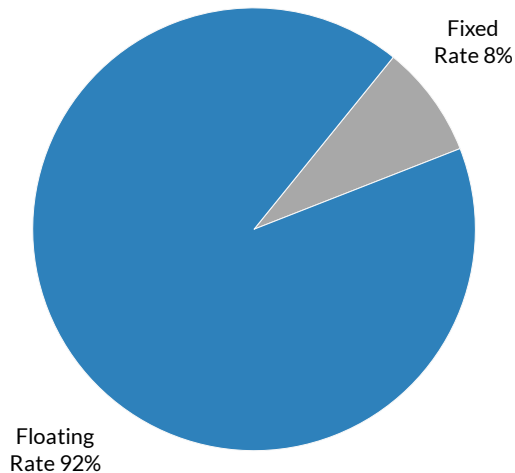
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(2) Excludes equity investments

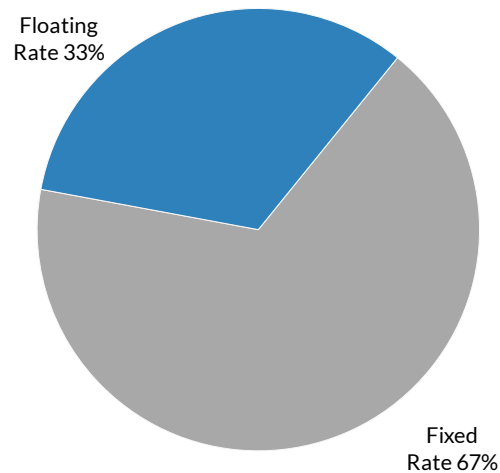
Past performance does not guarantee future returns.

# Strategically Positioned Balance Sheet

**Primarily Floating Rate Asset Portfolio**



**Liabilities Primarily Fixed Rate**



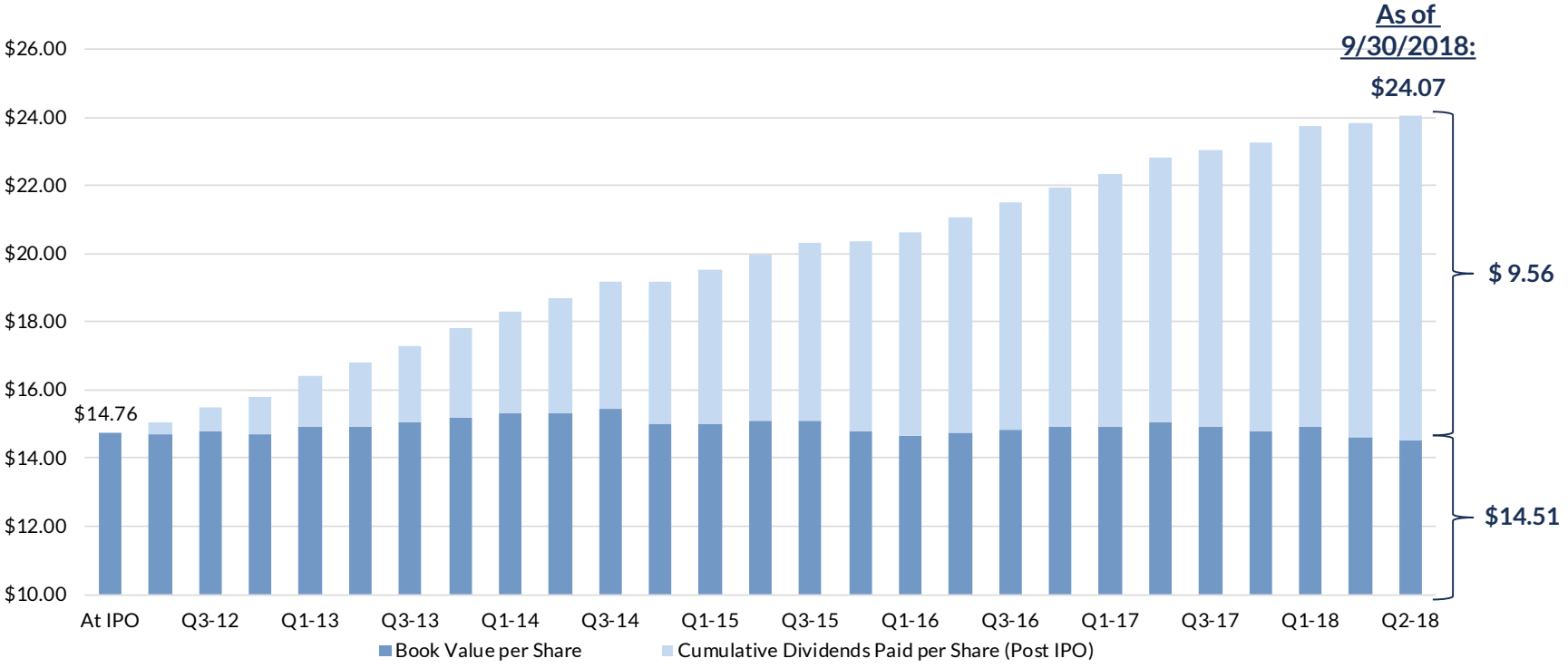
**Positive annual impact on net income of base rate increases in interest rates<sup>(1)</sup>:**

Basis Point Change	Net Investment Income	Net Investment Income Per Share
Up 300 basis points	+\$31,636,199	+\$0.54
Up 200 basis points	+\$21,090,799	+\$0.36
Up 100 basis points	+\$10,545,400	+\$0.18
Down 100 basis points	(\$10,396,735)	(\$0.18)
Down 200 basis points	(\$15,503,607)	(\$0.26)

(1) Assumes concurrent contractual rate resets for assets and liabilities, and excludes the related incentive compensation impact. Actual results may differ. Please refer to page 73 of the Company's 10-Q as of September 30, 2018.

# Strong Track Record of Positive Performance

## Book Value per Share and Dividends Paid

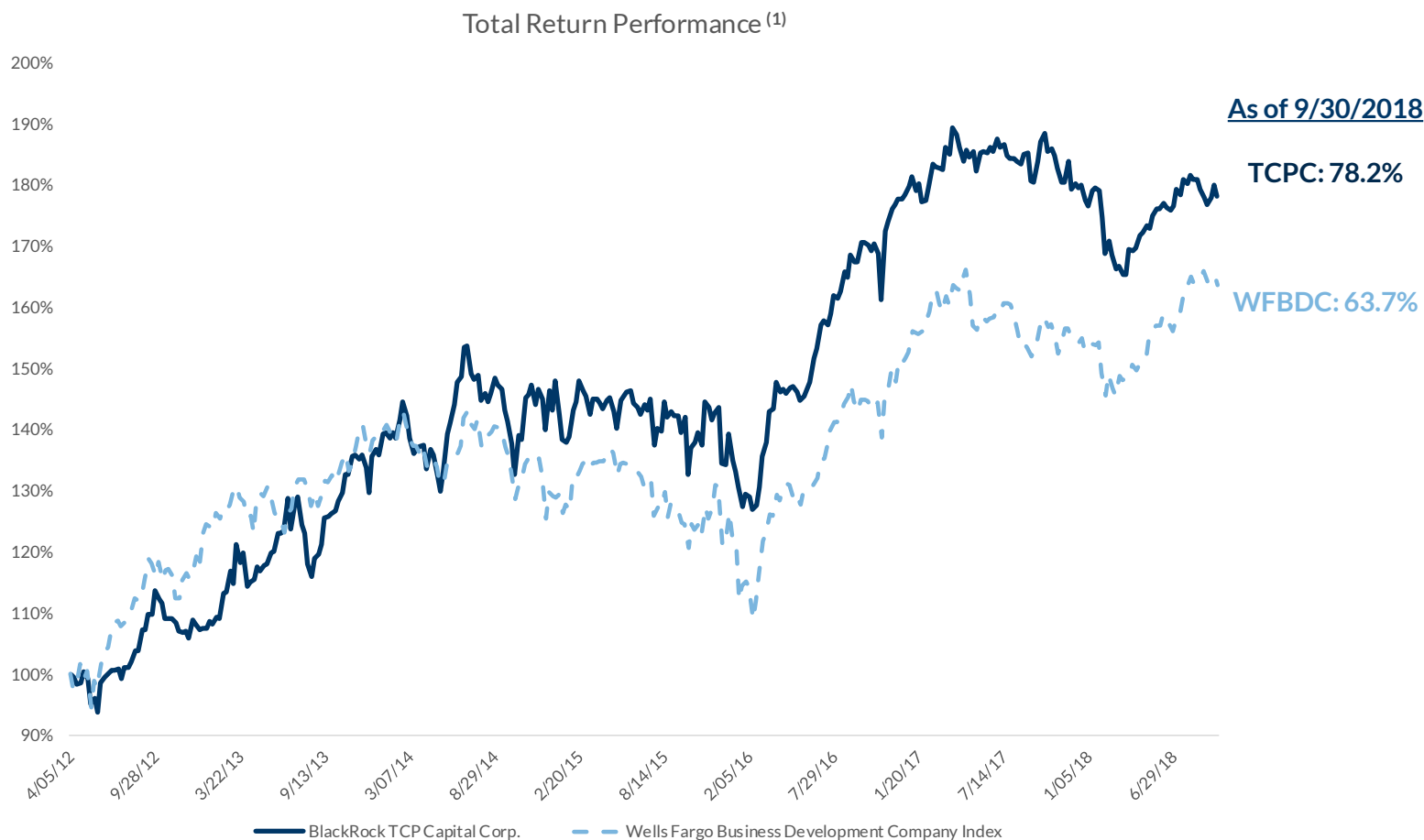


*Past performance does not guarantee future returns.*



# TCPC Relative Outperformance

Out-performed the Wells Fargo BDC Index by 23% since our IPO



(1) Assumes a fixed investment on April 6, 2012 in BlackRock TCP Capital Corp. and the Wells Fargo Business Development Company Index. Assumes all dividends are reinvested on the respective dividend payment dates without commissions. The WFBDC Index is a float adjusted, capitalization-weighted Index that is intended to measure the performance of all Business Development Companies that are listed on the New York Stock Exchange or Nasdaq and satisfy specified capitalization and other eligibility requirements. It is not possible to invest directly in an unmanaged index. Source: FactSet

Past performance does not guarantee future returns.

# Summary of Advisor's Transaction with BlackRock

## Management of BlackRock TCP Capital Corp. Continues with Same Team, Greater Resources

- Effective August 1, 2018, Tennenbaum Capital Partners, LLC, our investment advisor (the "Advisor"), merged with and into an indirect wholly-owned subsidiary of BlackRock, Inc. ("BlackRock"), with the Advisor being the surviving entity.
- The same team that has been responsible for the investment operations of TCPC since inception has continued to focus on executing the same investment strategies and process subsequent to the transaction closing.
- In addition to the Advisor's significant experience in private credit origination and underwriting, TCPC shareholders benefit from BlackRock's global scale, industry expertise and portfolio and risk management capabilities.

# Competitive Advantages of BlackRock

BlackRock's \$6.4<sup>(1)</sup> trillion investment platform creates substantial scale and scope that seeks to provide insight, access, and expertise in sourcing and underwriting differentiated investment opportunities

## Global Credit Expertise

- More than \$90 billion<sup>(1)</sup> in AUM across credit asset classes globally
- 155+<sup>(1)</sup> Global Credit investment professionals

## Dedicated Team with Experience

- Cycle-tested team with 19 years average experience
- Over two decades managing global credit strategies

## Information Edge

- Broad access to management teams
- Full transparency into the portfolios and upcoming pipeline of investments

## Differentiated Sourcing

- One of the largest credit counterparties globally
- Insight into upcoming investment opportunities with the ability to be selective

## One Stop Shop

- Full range of strategies and risk profiles
- Global presence: North America, Europe and Asia

## Strong Risk Management

- Risk and Quantitative Analysis (RQA) provides dedicated risk oversight
- Leverages Aladdin, BlackRock's proprietary investment management system

(1) As of September 30, 2018

# TCP Now a Part of BlackRock's Global Credit Platform

Global Credit AUM: More than \$90 billion<sup>(1)</sup>

## Leveraged Finance

- High Yield
- Bank Loans
- CLOs

## Multi-Strategy Credit

- Credit Strategies Income
- Credit Plus
- Commingled SMAs
- Long Short Credit

## Private Credit

- Middle Market Investing
- Opportunistic Debt
- Specialty Finance
- Core Distressed

BlackRock Investment Institute

Risk & Quantitative Analysis

Aladdin, including "Aladdin-for-Alternatives"

(1) As of September 30, 2018, includes committed capital.

# Quarterly Operating Results

	Three Months Ended				
	(Unaudited; dollar amounts in thousands, except per share data)				
	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
<b>Investment income</b>					
Interest income	\$ 49,348	\$ 48,318	\$ 43,825	\$ 46,424	\$ 42,341
Lease income	74	74	74	71	74
Dividend income	59	29	18	237	-
Other income	-	-	298	375	874
<b>Total investment income</b>	<b>49,481</b>	<b>48,421</b>	<b>44,215</b>	<b>47,107</b>	<b>43,289</b>
<b>Expenses</b>					
Interest and other debt expenses	10,072	10,104	9,642	9,004	8,213
Management and advisory fees	6,265	6,178	5,706	5,937	5,611
Incentive fee	6,128	5,987	5,391	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>
Administrative expenses	600	597	597	597	597
Legal fees, professional fees and due diligence expenses	625	580	434	358	288
Other expenses	1,279	1,029	880	1,259	1,012
<b>Total expenses</b>	<b>24,969</b>	<b>24,475</b>	<b>22,650</b>	<b>17,155</b>	<b>15,721</b>
Net investment income before taxes	24,512	23,946	21,565	29,952	27,568
Excise taxes	-	-	-	36	-
<b>Net investment income</b>	<b>24,512</b>	<b>23,946</b>	<b>21,565</b>	<b>29,916</b>	<b>27,568</b>
Net realized and unrealized gain (loss)	9,320	(19,828)	5,624	(10,283)	(7,436)
Incentive allocation distributions	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	(5,983)	(5,514)
<b>Net increase in net assets to common equity</b>	<b>\$ 15,192</b>	<b>\$ 4,118</b>	<b>\$ 27,189</b>	<b>\$ 13,650</b>	<b>\$ 14,618</b>
Earnings per share	\$ 0.26	\$ 0.07	\$ 0.46	\$ 0.23	\$ 0.25
<b>Net investment income per share<sup>(2)</sup></b>	<b>\$ 0.42</b>	<b>\$ 0.41</b>	<b>\$ 0.37</b>	<b>\$ 0.41</b>	<b>\$ 0.38</b>
<b>Dividend per share</b>	<b>\$ 0.36</b>	<b>\$ 0.36</b>	<b>\$ 0.36</b>	<b>\$ 0.36</b>	<b>\$ 0.36</b>
Weighted average common shares outstanding	58,806,049	58,823,534	58,844,381	58,809,888	58,792,204
Ending common shares outstanding	58,800,001	58,813,014	58,836,148	58,847,256	58,792,364

(1) Effective January 1, 2018, incentive compensation is paid as a fee. Prior to January 1, 2018, incentive allocation was paid as a partnership allocation and distribution. Refer to Note 3 of the financial statements included in Form 10-Q for the period ended September 30, 2018.

(2) After incentive compensation and taxes

# Financial Highlights

(\$ per share)	Q3 2018 (unaudited)	Q2 2018 (unaudited)	Q1 2018 (unaudited)	Q4 2017 (unaudited)	Q3 2017 (unaudited)
Net investment income	0.42	0.41	0.37	0.41	0.38
Net realized & unrealized gains (losses)	(0.16)	(0.34)	0.09	(0.18)	(0.13)
Net increase in net assets from operations	0.26	0.07	0.46	0.23	0.25
Dividend paid	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)
Premium on issuance of securities	-	-	-	-	-
Net asset value	14.51	14.61	14.90	14.80	14.92

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Total fair value of investments (000s)	\$ 1,560,113	\$ 1,613,831	\$ 1,620,388	\$ 1,514,533	\$ 1,528,750
Number of portfolio companies	95	97	97	96	97
Average investment size (000s)	\$ 16,422	\$ 16,637	\$ 16,705	\$ 15,776	\$ 15,760
Debt/equity ratio <sup>(1)</sup>	.79x	.83x	.77x	.75x	.68x
Debt/equity ratio, net of cash <sup>(1)(2)</sup>	.75x	.80x	.76x	.67x	.68x

(1) Excludes SBIC debt, which is exempt from regulatory asset coverage requirements

(2) Net of trades pending settlement

# Portfolio Highlights

<b>Asset Mix of the Investment Portfolio</b> <i>(in thousands)</i>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>
Senior secured debt	\$ 1,433,044	\$ 1,490,181	\$ 1,505,586	\$ 1,404,729	\$ 1,463,295
Junior debt	43,277	43,009	42,750	41,008	-
Equity	83,792	80,641	72,052	68,796	65,455
Total investments	1,560,113	1,613,831	1,620,388	1,514,533	1,528,750

<b>Portfolio Activity</b> <i>(in thousands)</i>	<b>Q3 2018</b>	<b>Q2 2018</b>	<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>
Gross new commitments	\$ 163,734	\$ 124,821	\$ 169,069	\$ 213,034	\$ 245,683
Exits (includes repayments)	211,468	113,281	70,968	221,613	158,060
Net commitments	(47,734)	11,540	98,101	(8,579)	87,623

# Quarterly Balance Sheets

<i>(in thousands, except per share data)</i>	9/30/2018 (unaudited)	6/30/2018 (unaudited)	3/31/2018 (unaudited)	12/31/2017 (audited)	9/30/2017 (unaudited)
<b>ASSETS</b>					
Investments at fair value	\$ 1,560,113	\$ 1,613,831	\$ 1,620,388	\$ 1,514,533	\$ 1,528,750
Cash and cash equivalents	90,283	27,592	13,737	86,625	71,930
Accrued interest income	22,517	23,388	21,147	19,368	19,850
Receivable for investments sold	59	7,938	199	431	13,414
Other assets	12,237	12,004	10,145	8,465	8,171
Total assets	<u>1,685,209</u>	<u>1,684,753</u>	<u>1,665,616</u>	<u>1,629,422</u>	<u>1,642,115</u>
<b>LIABILITIES</b>					
Debt, net of unamortized issuance costs	\$ 764,349	\$ 802,094	\$ 768,655	\$ 725,200	\$ 665,378
Payable for investments purchased	53,041	7,457	1,405	16,475	85,545
Interest payable	5,445	8,253	5,164	7,772	4,527
Incentive allocation payable	6,128	5,987	5,391	5,983	5,514
Other liabilities	3,233	1,780	8,426	3,264	3,754
Total liabilities	<u>832,196</u>	<u>825,571</u>	<u>789,041</u>	<u>758,694</u>	<u>764,718</u>
NET ASSETS	<u>\$ 853,013</u>	<u>\$ 859,182</u>	<u>\$ 876,575</u>	<u>\$ 870,728</u>	<u>\$ 887,397</u>
NET ASSETS PER SHARE	<u>\$ 14.51</u>	<u>\$ 14.61</u>	<u>\$ 14.90</u>	<u>\$ 14.80</u>	<u>\$ 14.92</u>



# Investor Friendly Advisory Fee Structure

	BlackRock TCP Capital Corp. (Existing)	BlackRock TCP Capital Corp. (Proposed)	Average Externally Managed BDC <sup>(1)</sup>
Base Management Fee	<ul style="list-style-type: none"> <li>1.5% on gross assets (less cash and cash equivalents)</li> </ul>	<ul style="list-style-type: none"> <li>1.5% up to 1.0x debt to equity; 1.0% above 1.0x debt to equity. Based on gross assets (less cash and cash equivalents)</li> </ul>	<ul style="list-style-type: none"> <li>1.50% - 1.75% on gross assets</li> </ul>
Incentive Fee Hurdle	<ul style="list-style-type: none"> <li>8% annualized total return on NAV, cumulative (infinite) lookback</li> </ul>	<ul style="list-style-type: none"> <li>7% annualized total return on NAV, cumulative (infinite) lookback</li> </ul>	<ul style="list-style-type: none"> <li>7% annualized NII return on NAV, no lookback</li> </ul>
Incentive Compensation	<ul style="list-style-type: none"> <li>Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative (infinite), annualized 8% total return</u> hurdle</li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: 17.5% of cumulative net realized gains less net unrealized depreciation, subject to a <u>cumulative (infinite), annualized 7% total return</u> hurdle</li> </ul>	<ul style="list-style-type: none"> <li>Capital Gains: 20% of cumulative net realized gains less net unrealized depreciation</li> </ul>
	<ul style="list-style-type: none"> <li>Ordinary Income: 20% subject to a <u>cumulative (infinite), annualized 8.0% total return</u> hurdle</li> </ul>	<ul style="list-style-type: none"> <li>Ordinary Income: 17.5% subject to a <u>cumulative (infinite), annualized 7% total return</u> hurdle</li> </ul>	<ul style="list-style-type: none"> <li>Ordinary Income: 20% subject to quarterly hurdle rate calculated quarterly</li> </ul>
<p>✓ Subject to cumulative high water mark</p>			

(1) Source: SEC filings. Represents average fee structure for publicly traded, externally managed BDCs with a market capitalization of more than \$200 million as of September 30, 2018.

# Diversified Sources of Funding

As of September 30, 2018

Source	Capacity	Drawn Amount	Available	Pricing	Maturity
SVCP 2022 Facility	\$125.0mm	\$50.0mm	\$75.0mm	L + 2.25%	Feb-22
2019 Convertible Notes	\$107.4mm <sup>(1)</sup>	\$107.4mm	-	5.25%	Dec-19
2022 Convertible Notes	\$137.8mm <sup>(2)</sup>	\$137.8mm	-	4.625%	Mar-22
2022 Notes	\$174.5mm <sup>(3)</sup>	\$174.5mm	-	4.125%	Aug-22
TCPC Funding Facility	\$300.0mm	\$204.0mm	\$96.0mm	L + 2.00% <sup>(4)</sup>	May-22
SBA Debentures	\$150.0mm	\$98.0mm	\$52.0mm	2.77% <sup>(5)</sup>	2024-2028
Total leverage	\$994.7mm	\$771.7mm	\$223.0mm	4.27% <sup>(6)</sup>	
Cash			\$90.3mm		
Net settlements			\$(53.0)mm		
Unamortized debt issuance costs		\$(7.4)mm			
Net leverage		\$764.3mm	\$260.3mm		

TCPC is investment grade rated by Standard & Poor's and Moody's

(1) \$108 million par. Carrying value shown.

(2) \$140 million par. Carrying value shown.

(3) \$175 million par. Carrying value shown.

(4) Subject to certain funding requirements.

(5) Weighted average interest rate, excluding fees of 0.36% or 0.35%.

(6) Combined weighted-average interest rate on amounts outstanding as of September 30, 2018.

# Contact Information

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## **Investor Relations**

Katie McGlynn

2951 28<sup>th</sup> Street, Suite 1000

Santa Monica, CA 90405

(310) 566-1094

[investor.relations@tcpcapital.com](mailto:investor.relations@tcpcapital.com)

[www.tcpcapital.com](http://www.tcpcapital.com)

## **Transfer Agent**

EQ Shareholder Services

(800) 468-9716 (from U.S.)

(651) 450-4064 (from outside U.S.)

[www.shareowneronline.com](http://www.shareowneronline.com)