

BABSON CAPITAL CORPORATE INVESTORS

Form N-30D

May 29, 2015

Babson Capital  
Corporate Investors

Report for the  
Three Months Ended March 31, 2015

**Adviser**

Babson Capital Management LLC  
1500 Main Street, P.O. Box 15189  
Springfield, Massachusetts 01115-5189

**Transfer Agent & Registrar**

DST Systems, Inc.  
P.O. Box 219086  
Kansas City, Missouri 64121-9086  
1-800-647-7374

**Independent Registered Public Accounting Firm**

**KPMG LLP**  
Boston, Massachusetts 02110

**Internet Website**

[www.babsoncapital.com/mci](http://www.babsoncapital.com/mci)

**Counsel to the Trust**

Ropes & Gray LLP  
Boston, Massachusetts 02110

Babson Capital Corporate Investors  
c/o Babson Capital Management LLC  
1500 Main Street, Suite 2200  
Springfield, Massachusetts 01115  
(413) 226-1516

**Custodian**

State Street Bank and Trust Company  
Boston, Massachusetts 02116

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**Investment Objective and Policy**

Babson Capital Corporate Investors (the “Trust”) is a closed-end management investment company, first offered to the public in 1971, whose shares are traded on the New York Stock Exchange under the trading symbol “MCI”. The Trust’s share price can be found in the financial section of most newspapers under either the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust’s investment objective is to maintain a portfolio of securities providing a current yield and at the same time offering an opportunity for capital gains. The Trust’s principal investments are privately placed, below-investment grade, long-term debt obligations with equity features such as common stock, warrants, conversion rights, or other equity features and, occasionally, preferred stocks. The Trust typically purchases these investments, which are not publicly tradable, directly from their issuers in private placement transactions. These investments are typically mezzanine debt instruments with accompanying private equity securities made to small or middle market companies. In addition, the Trust may invest, subject to certain limitations, in marketable investment grade debt securities, other marketable debt securities (including high yield securities) and marketable common stocks. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay principal.

**Form N-Q**

The Trust files its complete schedule of portfolio holdings with the U.S. Securities and Exchange Commission (“SEC”) for the first and third quarters of each fiscal year on Form N-Q. This information is available (i) on the SEC’s website at <http://www.sec.gov>; and (ii) at the SEC’s Public Reference Room in Washington, DC (which information on their operation may be obtained by calling 1-800-SEC-0330). A complete schedule of portfolio holdings as of each quarter-end is available upon request by calling, toll-free, 866-399-1516.

**Proxy Voting Policies & Procedures; Proxy Voting Record**

The Trustees of the Trust have delegated proxy voting responsibilities relating to the voting of securities held by the Trust to Babson Capital. A description of Babson Capital’s proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 866-399-1516; (2) on the Trust’s website: <http://www.babsoncapital.com/mci>; and (3) on the SEC’s website at <http://www.sec.gov>. Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) on the Trust’s website: <http://www.babsoncapital.com/mci>; and (2) on the SEC’s website at <http://www.sec.gov>.

Babson Capital Management LLC (“Babson Capital”) manages the Trust on a total return basis. The Trust distributes substantially all of its net income to shareholders each year. Accordingly, the Trust pays dividends to shareholders in January, May, August, and November. The Trust pays dividends to its shareholders in cash, unless the shareholder elects to participate in the Dividend Reinvestment and Share Purchase Plan.

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Babson Capital Corporate Investors

TO OUR SHAREHOLDERS

April 30, 2015

We are pleased to present the March 31, 2015 Quarterly Report of Babson Capital Corporate Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of \$0.30 per share, payable on May 15, 2015 to shareholders of record on May 1, 2015. The Trust paid a \$0.30 per share dividend for the preceding quarter. The Trust earned \$0.28 per share of net investment income, including \$0.03 per share of non-recurring income, for the first quarter of 2015, compared to \$0.29 per share, including \$0.04 per share of non-recurring income, in the previous quarter.

During the first quarter, the net assets of the Trust increased to \$293,255,436 or \$14.99 per share compared to \$280,130,264 or \$14.34 per share on December 31, 2014. This translates into a 4.5% total return for the quarter, based on the change in the Trust's net assets assuming the reinvestment of all dividends. Longer term, the Trust returned 15.4%, 15.4%, 15.5%, 12.3%, and 13.8% for the 1, 3, 5, 10, and 25-year periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends.

The Trust's share price decreased 2.2% during the quarter, from \$15.89 per share as of December 31, 2014 to \$15.54 per share as of March 31, 2015. The Trust's market price of \$15.54 per share equates to a 3.7% premium over the March 31, 2015 net asset value per share of \$14.99. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 12.3%, 16.2% and 12.6%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 4.3% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 2.5% for the quarter.

The Trust closed five new private placement investments during the first quarter. The five new investments were in AFC - Dell Holding Corporation, Animal Supply Company, Compass Chemical International LLC, Tristar Global Energy Solutions, Inc. and York Wall Holding Company. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these transactions was \$15,717,000.

It was an active first quarter for the Trust in terms of new investments. Middle market merger and acquisition activity, a key driver of deal flow for the Trust, was steady during the quarter. We expect deal flow to remain steady for the rest of the year, assuming no significant external shocks to the market, so we are optimistic about the level of new investment activity for the Trust through year end. The dark cloud on the horizon though, continues to be the high purchase prices and leverage levels that are common in buyout transactions today. Average purchase price multiples for small companies continue to be at their highest levels in the past 15 years. Leverage multiples are also elevated and are near their highs of the past 15 years as well. Though we are actively making new investments on behalf of the Trust in this market, we do so cautiously and with discipline, consistent with our longstanding investment philosophy of seeking to take prudent levels of risk and getting paid appropriately for the risk taken. We are not willing to provide financial leverage at levels that we believe are imprudent. This approach has served us well over the long term and through all kinds of market cycles.

The condition of the Trust's existing portfolio remained solid through the first quarter. We had significantly more credit upgrades than downgrades during the quarter. The number of companies on our watch list and in default continues to be at or near the lowest level we have seen over the last five years. We successfully exited five investments and benefited from dividends associated with the recapitalization of one company during the quarter. We realized significant gains from these transactions. We continue to have a backlog of portfolio companies that are in the

process of being sold, with a number of these expected to close this year. We had five portfolio companies fully or partially prepay their debt instruments held by the Trust during the quarter. This lower level of prepayment activity is welcome after the unprecedented levels of prepayments we experienced in 2013 and early 2014.

(Continued)

The Trust was able to maintain its \$0.30 per share quarterly dividend for the first quarter even though net investment income per share, excluding non-recurring income, was once again below the dividend rate. Net investment income per share from recurring sources has been below the dividend rate for every quarter since the third quarter of 2013. As we have discussed in prior reports, net investment income is down due principally to the considerable reduction in the number of private debt securities in the portfolio resulting from the high level of exit and prepayment activity that has occurred in recent quarters. We have been able to maintain the \$0.30 per share quarterly dividend with current income, non-recurring income and earnings carried forward from prior quarters. Over time, however, the Trust's dividend-paying ability tends to be correlated with its recurring earnings capacity. Absent non-recurring income, earnings available for the quarterly dividend would have been \$0.25 per share for the first quarter. This quarter, the Trust earned an additional \$0.03 per share of non-recurring income, and utilized \$0.02 per share of earnings carry-forwards to maintain the \$0.30 per share quarterly dividend. The Trust continues to have available earnings carry-forwards which should be available to supplement recurring income for the next few quarters. Unless market conditions change dramatically though, it is still unlikely that we will be able to rebuild the portfolio back to its former size in the near term and grow net investment income. As a result, it is likely that in 2015 we will have to reduce the dividend from the current \$0.30 per share quarterly rate. As we move through 2015, we and the Board of Trustees will continue to evaluate the current and future earnings capacity of the Trust and formulate a dividend strategy that is consistent with that earnings level.

Thank you for your continued interest in and support of Babson Capital Corporate Investors.

Sincerely,

Michael L. Klofas  
President

\* Based on market value of total investments (including cash)

Cautionary Notice: Certain statements contained in this report may be "forward looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. These statements are subject to change at any time based upon economic, market or other conditions and may not be relied upon as investment advice or an indication of the Trust's trading intent. References to specific securities are not recommendations of such securities, and may not be representative of the Trust's current or future investments. We undertake no obligation to publicly update forward looking statements, whether as a result of new information, future events, or otherwise.

## Babson Capital Corporate Investors

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

March 31, 2015

(Unaudited)

## Assets:

## Investments

|  |                |
|--|----------------|
| (See Consolidated Schedule of Investments) Corporate restricted securities at fair value<br>(Cost - \$187,819,961) | \$ 192,356,537 |
| Corporate restricted securities at market value<br>(Cost - \$60,704,303)   | 60,998,206     |
| Corporate public securities at market value<br>(Cost - \$54,142,844)   | 54,914,085     |
| Short-term securities at amortized cost  | 3,499,733      |
| Total investments (Cost - \$306,166,841)   | 311,768,561    |
| Cash   | 13,655,639     |
| Interest receivable  | 3,561,969      |
| Other assets   | 31,227         |
| Total assets   | 329,017,396    |

## Liabilities:

|                                   |               |
|-----------------------------------|---------------|
| Note payable                      | 30,000,000    |
| Payable for investments purchased | 2,169,000     |
| Deferred tax liability            | 1,519,864     |
| Investment advisory fee payable   | 916,423       |
| Tax payable                       | 682,978       |
| Interest payable                  | 202,400       |
| Accrued expenses                  | 271,295       |
| Total liabilities                 | 35,761,960    |
| Total net assets                  | \$293,255,436 |

## Net Assets:

|  |               |
|--|---------------|
| Common shares, par value \$1.00 per share                    | \$ 19,567,332 |
| Additional paid-in capital                                   | 115,066,008   |
| Retained net realized gain on investments, prior years       | 142,769,539   |
| Undistributed net investment income                          | 8,233,022     |
| Accumulated net realized gain on investments                 | 3,537,679     |
| Net unrealized depreciation of investments                   | 4,081,856     |
| Total net assets   | \$293,255,436 |
| Common shares issued and outstanding (28,054,782 authorized) | 19,567,332    |
| Net asset value per share                                    | \$ 14.99      |

See Notes to Consolidated Financial Statements





## CONSOLIDATED STATEMENT OF OPERATIONS

For the three months ended March 31, 2015

(Unaudited)

|   |              |
|---|--------------|
| Investment Income:  |              |
| Interest  | \$6,816,484  |
| Dividends   | 128,082      |
| Other   | 15,628       |
| Total investment income   | 6,960,194    |
| Expenses:   |              |
| Investment advisory fees  | 916,423      |
| Interest  | 396,000      |
| Trustees' fees and expenses                                       | 75,000       |
| Professional fees   | 62,004       |
| Reports to shareholders   | 22,500       |
| Custodian fees  | 10,076       |
| Other   | 28,702       |
| Total expenses  | 1,510,705    |
| Investment income - net   | 5,449,489    |
| Net realized and unrealized gain on investments:                  |              |
| Net realized gain on investments before taxes                     | 3,124,992    |
| Income tax expense  | (24,873 )    |
| Net realized gain on investments after taxes                      | 3,100,119    |
| Net change in unrealized appreciation of investments before taxes | 4,423,375    |
| Net change in deferred income tax expense                         | (365,034 )   |
| Net change in unrealized appreciation of investments after taxes  | 4,058,341    |
| Net gain on investments   | 7,158,460    |
| Net increase in net assets resulting from operations              | \$12,607,949 |

See Notes to Consolidated Financial Statements

## Babson Capital Corporate Investors

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended March 31, 2015

(Unaudited)

Net increase in cash:

Cash flows from operating activities:

|   |               |
|---|---------------|
| Purchases/Proceeds/Maturities from short-term portfolio securities, net | \$ 13,103,876 |
| Purchases of portfolio securities                                       | (27,726,034)  |
| Proceeds from disposition of portfolio securities                       | 20,478,887    |
| Interest, dividends and other income received                           | 5,860,631     |
| Interest expense paid   | (396,000 )    |
| Operating expenses paid   | (1,096,914 )  |
| Income taxes paid   | (3,685,013 )  |
| Net cash provided by operating activities                               | 6,539,433     |

Cash flows from financing activities:

|   |              |
|---|--------------|
| Cash dividends paid from net investment income          | (5,860,025 ) |
| Receipts for shares issued on reinvestment of dividends | 517,223      |
| Net cash used for financing activities                  | (5,342,802 ) |

|                          |               |
|--------------------------|---------------|
| Net increase in cash     | 1,196,631     |
| Cash - beginning of year | 12,459,008    |
| Cash - end of period     | \$ 13,655,639 |

Reconciliation of net increase in net assets to net cash provided by operating activities:

|  |               |
|--|---------------|
| Net increase in net assets resulting from operations | \$ 12,607,949 |
| Increase in investments                              | (4,425,126 )  |
| Increase in interest receivable                      | (721,187 )    |
| Decrease in other assets                             | 6,400         |
| Decrease in receivable for investments sold          | 179,712       |
| Increase in payable for investments purchased        | 2,169,000     |
| Increase in deferred tax liability                   | 365,034       |
| Increase in investment advisory fee payable          | 41,016        |
| Decrease in tax payable                              | (3,660,140 )  |
| Decrease in accrued expenses                         | (23,225 )     |
| Total adjustments to net assets from operations      | (6,068,516 )  |
| Net cash provided by operating activities            | \$ 6,539,433  |

See Notes to Consolidated Financial Statements



## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

|  | For the three<br>months ended<br>03/31/2015<br>(Unaudited) | For the<br>year ended<br>12/31/2014 |
|--|--|-------------------------------------|
| Increase in net assets:  |  |                                     |
| Operations:  |  |                                     |
| Investment income - net  | \$ 5,449,489   | \$ 23,984,946                       |
| Net realized gain on investments after taxes   | 3,100,119  | 8,854,438                           |
| Net change in unrealized appreciation of investments after taxes   | 4,058,341  | (84,222 )                           |
| Net increase in net assets resulting from operations   | 12,607,949   | 32,755,162                          |
| Increase from common shares issued on reinvestment of dividends  |  |                                     |
| Common shares issued (2015 - 33,916; 2014 - 139,761 )  | 517,223  | 2,065,868                           |
| Dividends to shareholders from:  |  |                                     |
| Net investment income (2015 - \$0.00 per share; 2014 - \$1.20 per share)   | —  | (23,378,280 )                       |
| Total increase in net assets   | 13,125,172   | 11,442,750                          |
| Net assets, beginning of year  | 280,130,264  | 268,687,514                         |
| Net assets, end of period/year (including undistributed net investment income<br>of \$8,233,022 and \$2,783,533, respectively) | \$ 293,255,436   | \$ 280,130,264                      |

See Notes to Consolidated Financial Statements



## Babson Capital Corporate Investors

## CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

Selected data for each share of beneficial interest outstanding:

|   | For the<br>three<br>months<br>ended<br>03/31/2015<br>(Unaudited) | For the years ended December 31, |           |           |           |
|---|--|----------------------------------|-----------|-----------|-----------|
|   |  | 2014                             | 2013      | 2012      | 2011(a)   |
| Net asset value:  |  |                                  |           |           |           |
| Beginning of year   | \$ 14.34   | \$ 13.85                         | \$ 13.38  | \$ 12.69  | \$ 12.56  |
| Net investment income (b)   | 0.28   | 1.23                             | 1.18      | 1.28      | 1.29      |
| Net realized and unrealized<br>gain (loss) on investments             | 0.37   | 0.45                             | 0.48      | 0.69      | 0.17      |
| Total from investment operations                                      | 0.65   | 1.68                             | 1.66      | 1.97      | 1.46      |
| Dividends from net investment<br>income to common shareholders        | —  | (1.20)                           | (1.20)    | (1.25)    | (1.34)    |
| Dividends from realized gain<br>on investments to common shareholders | —  | —                                | —         | (0.05)    | (0.01)    |
| Increase from dividends reinvested                                    | 0.00(c)  | 0.01                             | 0.01      | 0.02      | 0.02      |
| Total dividends   | —  | (1.19)                           | (1.19)    | (1.28)    | (1.33)    |
| Net asset value: End of period/year                                   | \$ 14.99   | \$ 14.34                         | \$ 13.85  | \$ 13.38  | \$ 12.69  |
| Per share market value:   |  |                                  |           |           |           |
| End of period/year  | \$ 15.54   | \$ 15.89                         | \$ 14.93  | \$ 15.28  | \$ 17.99  |
| Total investment return   |  |                                  |           |           |           |
| Net asset value (d)   | 4.53%  | 13.78%                           | 12.76%    | 17.07%    | 12.00%    |
| Market value (d)  | (2.20%)  | 16.53%                           | 5.93%     | (7.11%)   | 27.92%    |
| Net assets (in millions):   |  |                                  |           |           |           |
| End of period/year  | \$ 293.26  | \$ 280.13                        | \$ 268.69 | \$ 257.38 | \$ 241.94 |
| Ratio of total expenses<br>to average net assets                      | 2.18%(f)   | 3.66%                            | 2.42%     | 3.17%     | 2.42%     |
| Ratio of operating expenses<br>to average net assets                  | 1.58%(f)   | 1.65%                            | 1.64%     | 1.66%     | 1.62%     |
| Ratio of interest expense<br>to average net assets                    | 0.56%(f)   | 0.57%                            | 0.59%     | 0.63%     | 0.64%     |
| Ratio of income tax expense<br>to average net assets (e)              | 0.04%(f)   | 1.44%                            | 0.19%     | 0.88%     | 0.16%     |
| Ratio of net investment income<br>to average net assets               | 7.73%(f)   | 8.57%                            | 8.50%     | 9.78%     | 9.91%     |
| Portfolio turnover  | 7%   | 38%                              | 34%       | 34%       | 21%       |

(a) Per share amounts were adjusted to reflect a 2:1 stock split effective February 18, 2011.

(b) Calculated using average shares.

(c) Rounds to less than \$0.01 per share.

(d) Net asset value return represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions which differs from the total investment return based on the Trust's market value due to the difference between the Trust's net asset value and the market value of its shares

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outstanding; past performance is no guarantee of future results.

(e) As additional information, this ratio is included to reflect the taxes paid on retained long-term gains. These taxes paid are netted against realized capital gains in the Statement of Operations. The taxes paid are treated as deemed distributions and a credit for the taxes paid is passed on to the shareholders.

(f) Annualized

Senior borrowings:

|   |    |       |       |       |       |
|---|----|-------|-------|-------|-------|
| Total principal amount (in millions) \$ | 30 | \$ 30 | \$ 30 | \$ 30 | \$ 30 |
|---|----|-------|-------|-------|-------|

Asset coverage per \$1,000 of  
indebtedness

|           |           |          |          |          |
|-----------|-----------|----------|----------|----------|
| \$ 10,775 | \$ 10,338 | \$ 9,956 | \$ 9,579 | \$ 9,065 |
|-----------|-----------|----------|----------|----------|

See Notes to Consolidated Financial Statements

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2015

(Unaudited)

| Corporate Restricted Securities - 86.39%: (A)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| Private Placement  |   |                  |              |              |
| Investments - 65.59%   |   |                  |              |              |
| 1492 Acquisition LLC   |   |                  |              |              |
| A leading producer of premium Italian cured meats and deli meats in the U.S.   |   |                  |              |              |
| 14% Senior Subordinated  |   |                  |              |              |
| Note due 10/17/2019  | \$ 1,634,104  | 10/17/12         | \$ 1,609,933 | \$ 1,612,560 |
| Limited Liability Company  |   |                  |              |              |
| Unit Class A Common (B)  | 27,273 uts.   | 10/17/12         | 27,273       | —            |
| Limited Liability Company  |   |                  |              |              |
| Unit Class A Preferred (B)   | 245 uts.  | 10/17/12         | 245,450      | 200,727      |
|  |   |                  | 1,882,656    | 1,813,287    |
| A S C Group, Inc.  |   |                  |              |              |
| A designer and manufacturer of high reliability encryption equipment, communications products, computing systems and electronic components primarily for the military and aerospace sectors. |   |                  |              |              |
| 14% Senior Subordinated  |   |                  |              |              |
| Note due 12/21/2020  | \$ 1,981,937  | 12/20/13         | 1,947,838    | 2,001,757    |
| Limited Liability Company  |   |                  |              |              |
| Unit Class A (B)   | 5,843 uts.  | *                | 290,317      | 585,715      |
| Limited Liability Company  |   |                  |              |              |
| Unit Class B (B)   | 2,793 uts.  | 10/09/09         | 100,114      | 279,976      |
|  |   |                  | 2,338,269    | 2,867,448    |
| * 10/09/09 and 12/20/13.   |   |                  |              |              |
| A W X Holdings Corporation   |   |                  |              |              |
| A provider of aerial equipment rental, sales and repair services to non-residential construction and maintenance contractors operating in the State of Indiana.                              |   |                  |              |              |
| 10.5% Senior Secured Term  |   |                  |              |              |
| Note due 05/15/2015 (D)  | \$ 735,000  | 05/15/08         | 724,402      | 367,500      |
| 13% Senior Subordinated Note   |   |                  |              |              |
| due 05/15/2015 (D)   | \$ 735,000  | 05/15/08         | 673,096      | —            |
| Common Stock (B)   | 105,000 shs.  | 05/15/08         | 105,000      | —            |
| Warrant, exercisable until   |   |                  |              |              |
| 2015, to purchase  |   |                  |              |              |
| common stock at \$.01 per share  |   |                  |              |              |
| (B)  | 36,923 shs.   | 05/15/08         | 62,395       | —            |
|  |   |                  | 1,564,893    | 367,500      |
| ABC Industries, Inc.   |   |                  |              |              |
| A manufacturer of mine and tunneling ventilation products in the U.S.  |   |                  |              |              |
|  | \$ 436,364  | 08/01/12         | 402,672      | 440,727      |



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13% Senior Subordinated Note  
due 07/31/2019

|                              |              |          |         |         |
|------------------------------|--------------|----------|---------|---------|
| Preferred Stock Series A (B) | 300,000 shs. | 08/01/12 | 300,000 | 642,693 |
|------------------------------|--------------|----------|---------|---------|

Warrant, exercisable until  
2022, to purchase

|  |             |          |         |           |
|--|-------------|----------|---------|-----------|
| common stock at \$.02 per share<br>(B) | 53,794 shs. | 08/01/12 | 101,870 | 109,970   |
|  |             |          | 804,542 | 1,193,390 |

ACP Cascade Holdings LLC

A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.

Limited Liability Company Unit

|             |         |          |   |   |
|-------------|---------|----------|---|---|
| Class B (B) | 64 uts. | 11/09/12 | — | — |
|-------------|---------|----------|---|---|

Advanced Manufacturing

Enterprises LLC

A designer and manufacturer of large, custom gearing products for a  
number of critical customer applications.

14% Senior Subordinated Note

|                |              |          |           |           |
|----------------|--------------|----------|-----------|-----------|
| due 12/17/2018 | \$ 2,723,077 | 12/07/12 | 2,694,079 | 2,750,308 |
|----------------|--------------|----------|-----------|-----------|

Limited Liability Company Unit

|     |            |   |         |         |
|-----|------------|---|---------|---------|
| (B) | 3,434 uts. | * | 343,385 | 482,359 |
|-----|------------|---|---------|---------|

|                          |  |  |           |           |
|--------------------------|--|--|-----------|-----------|
| * 12/07/12 and 07/11/13. |  |  | 3,037,464 | 3,232,667 |
|--------------------------|--|--|-----------|-----------|

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A)<br>(Continued)   | Principal Amount,<br>Shares, Units or<br>Ownership Percentage | Acquisition<br>Date | Cost      | Fair<br>Value |
|---|---|---------------------|-----------|---------------|
| <b>Advanced Technologies Holdings</b>   |   |                     |           |               |
| A provider of factory maintenance services to industrial companies.   |   |                     |           |               |
| Preferred Stock Series A (B)  | 626 shs.  | 12/27/07            | \$309,806 | \$953,575     |
| Convertible Preferred Stock Series B (B)  | 52 shs.   | 01/04/11            | 40,800    | 79,950        |
|   |   |                     | 350,606   | 1,033,525     |
| <b>AFC - Dell Holding Corporation</b>   |   |                     |           |               |
| A distributor and provider of inventory management services for "C-Parts" used by OEMs in their manufacturing and production facilities.                                      |   |                     |           |               |
| 12.5% Senior Subordinated Note due 09/27/2020   |   |                     |           |               |
|   | \$ 2,396,739  | 03/27/15            | 2,348,888 | 2,395,795     |
| Preferred Stock (B)   | 2,276 shs.  | 03/27/15            | 227,558   | 216,180       |
| Common Stock (B)  | 703 shs.  | 03/27/15            | 703       | 668           |
|   |   |                     | 2,577,149 | 2,612,643     |
| <b>Airxcel Holdings</b>   |   |                     |           |               |
| A leading manufacturer of a broad range of climate control solutions, including air-conditioners, heat pumps, cooking appliances, furnaces, powered vents, and water heaters. |   |                     |           |               |
| 12.5% Senior Subordinated Note due 11/18/2020   |   |                     |           |               |
|   | \$ 2,933,185  | 11/18/14            | 2,877,302 | 2,978,251     |
| Limited Liability Company Unit  | 583 uts.  | 11/18/14            | 583,000   | 583,839       |
|   |   |                     | 3,460,302 | 3,562,090     |
| <b>American Hospice Management Holding LLC</b>  |   |                     |           |               |
| A for-profit hospice care provider in the United States.  |   |                     |           |               |
| 12% Senior Subordinated Note due 03/31/2020 (D)   |   |                     |           |               |
|   | \$ 2,337,496  | *                   | 2,337,236 | 2,337,496     |
| Preferred Class A Unit (B)  | 3,223 uts.  | **                  | 322,300   | —             |
| Preferred Class B Unit (B)  | 1,526 uts.  | 06/09/08            | 152,626   | 154,997       |
| Common Class B Unit (B)   | 30,420 uts.   | 01/22/04            | 1         | —             |
| Common Class D Unit (B)   | 6,980 uts.  | 09/12/06            | 1         | —             |
|   |   |                     | 2,812,164 | 2,492,493     |
| * 01/22/04 and 06/09/08.  |   |                     |           |               |
| ** 01/22/04 and 09/16/06.   |   |                     |           |               |
| <b>AMS Holding LLC</b>  |   |                     |           |               |
| A leading multi-channel direct marketer of high-value collectible coins and proprietary-branded jewelry and watches.  |   |                     |           |               |
| Limited Liability Company Unit Class A Preferred (B)  | 273 uts.  | 10/04/12            | 272,727   | 826,455       |

Animal Supply Company

A distributor of pet products to independent pet stores, veterinary clients and other pet specialty retailers.

9.5% Senior Subordinated

|                     |              |          |           |           |
|---------------------|--------------|----------|-----------|-----------|
| Note due 09/05/2019 | \$ 3,500,000 | 03/30/15 | 3,447,565 | 3,447,033 |
|---------------------|--------------|----------|-----------|-----------|

Arch Global Precision LLC

A leading manufacturer of high tolerance precision components and consumable tools.

Limited Liability Company

|                  |         |          |        |         |
|------------------|---------|----------|--------|---------|
| Unit Class B (B) | 60 uts. | 12/21/11 | 85,250 | 289,833 |
|------------------|---------|----------|--------|---------|

Limited Liability Company

|                  |          |          |         |           |
|------------------|----------|----------|---------|-----------|
| Unit Class C (B) | 690 uts. | 12/21/11 | 664,750 | 2,887,206 |
|                  |          |          | 750,000 | 3,177,039 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)  | Principal Amount,<br>Shares, Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost         | Fair Value   |
|--|--|---------------------|--------------|--------------|
| <b>ARI Holding Corporation</b>   |  |                     |              |              |
| A leading national supplier of products used primarily by specialty contractors.   |  |                     |              |              |
| 11.5% Senior Subordinated Note<br>due 02/01/2020   | \$ 3,396,394   | *                   | \$ 3,347,555 | \$ 3,437,699 |
| Limited Partnership Interest<br>* 05/21/13 and 08/01/14.   | 1,048 uts.   | 08/01/14            | 1,047,900    | 1,011,502    |
|  |  |                     | 4,395,455    | 4,449,201    |
| <b>Arrow Tru-Line Holdings, Inc.</b>   |  |                     |              |              |
| A manufacturer of hardware for residential and commercial overhead garage doors in North America.  |  |                     |              |              |
| Preferred Stock (B)  | 51 shs.  | 10/16/09            | 50,670       | 198,715      |
| Common Stock (B)   | 402 shs.   | 05/18/05            | 401,555      | 121,619      |
| Warrant, exercisable until 2016,<br>to purchase<br>common stock at \$.01 per share<br>(B)  | 105 shs.   | 05/18/05            | 90,532       | 31,883       |
|  |  |                     | 542,757      | 352,217      |
| <b>Avantech Testing Services LLC</b>   |  |                     |              |              |
| A manufacturer of custom Non-Destructive Testing ("NDT") systems and provider of NDT and inspections services primarily to the oil country tubular goods market. |  |                     |              |              |
| 15% Senior Subordinated Note<br>due 07/31/2021   | \$ 1,025,206   | 07/31/14            | 1,006,848    | 886,711      |
| Limited Liability Company Unit   | 75,000 uts.  | 07/31/14            | 750,000      | 680,510      |
|  |  |                     | 1,756,848    | 1,567,221    |
| <b>Blue Wave Products, Inc.</b>  |  |                     |              |              |
| A distributor of pool supplies.  |  |                     |              |              |
| 10% Senior Secured Term Note<br>due 09/30/2018   | \$ 625,532   | 10/12/12            | 617,307      | 625,532      |
| 13% Senior Subordinated Note<br>due 09/30/2019   | \$ 732,765   | 10/12/12            | 692,967      | 747,420      |
| Common Stock (B)   | 114,894 shs.   | 10/12/12            | 114,894      | 294,116      |
| Warrant, exercisable until 2022,<br>to purchase<br>common stock at \$.01 per share<br>(B)  | 45,486 shs.  | 10/12/12            | 45,486       | 116,439      |
|  |  |                     | 1,470,654    | 1,783,507    |
| <b>BP SCI LLC</b>  |  |                     |              |              |
| A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets.   |  |                     |              |              |

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|   |            |          |         |           |
|---|------------|----------|---------|-----------|
| Limited Liability Company Unit<br>Class A (B) | 1,000 uts. | 10/17/12 | 100,000 | 634,596   |
| Limited Liability Company Unit<br>Class B (B) | 400 uts.   | 10/17/12 | 400,000 | 521,059   |
|   |            |          | 500,000 | 1,155,655 |

Bravo Sports Holding Corporation

A designer and marketer of niche branded consumer products including canopies, trampolines, in-line skates, skateboards, and urethane wheels.

12.5% Senior Subordinated Note due

|   |              |          |           |           |
|---|--------------|----------|-----------|-----------|
| 06/30/2015  | \$ 2,281,593 | 06/30/06 | 2,280,357 | 2,281,593 |
| Preferred Stock Class A (B)   | 879 shs.     | 06/30/06 | 268,121   | —         |
| Common Stock (B)  | 1 sh.        | 06/30/06 | 286       | —         |
| Warrant, exercisable until 2015, to purchase<br>common stock at \$.01 per share (B) | 309 shs.     | 06/30/06 | 92,102    | —         |
|   |              |          | 2,640,866 | 2,281,593 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A)<br>(Continued)   | Principal Amount,<br>Shares, Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost         | Fair Value   |
|---|--|---------------------|--------------|--------------|
| <b>CG Holdings Manufacturing Company</b>  |  |                     |              |              |
| A coating provider serving the automotive, agricultural, heavy truck and other end markets.   |  |                     |              |              |
| 13% Senior Subordinated Note  |  |                     |              |              |
| 11/01/2019  | \$ 3,390,252   | *                   | \$ 3,231,966 | \$ 3,472,549 |
| Preferred Stock (B)   | 3,241 shs.   | *                   | 324,054      | 356,003      |
| Preferred Stock (B)   | 1,174 shs.   | *                   | 116,929      | 128,983      |
| Common Stock (B)  | 337 shs.   | *                   | 35,673       | 119,680      |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)  |  |                     |              |              |
|   | 137 shs.   | *                   | 13,033       | 48,693       |
| * 05/09/13 and 11/01/13.  |  |                     | 3,721,655    | 4,125,908    |
| <b>CHG Alternative Education Holding Company</b>  |  |                     |              |              |
| A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs. |  |                     |              |              |
| 13.5% Senior Subordinated Note due 01/19/2018   |  |                     |              |              |
|   | \$ 2,278,120   | 01/19/11            | 2,210,908    | 2,278,120    |
| 14% Senior Subordinated Note due 08/03/2019   |  |                     |              |              |
|   | \$ 593,565   | 08/03/12            | 585,366      | 599,501      |
| Common Stock (B)  | 1,125 shs.   | 01/19/11            | 112,500      | 161,873      |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)  |  |                     |              |              |
|   | 884 shs.   | 01/19/11            | 87,750       | 127,242      |
|   |  |                     | 2,996,524    | 3,166,736    |
| <b>Church Services Holding Company</b>  |  |                     |              |              |
| A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.  |  |                     |              |              |
| 14.5% Senior Subordinated Note due 03/26/2018   |  |                     |              |              |
|   | \$ 1,274,295   | 03/26/12            | 1,249,367    | 1,274,295    |
| 10% Senior Subordinated Note due 09/12/2015   |  |                     |              |              |
|   | \$ 20,045  | 09/15/14            | 20,045       | 20,079       |
| Common Stock (B)  | 3,981 shs.   | *                   | 398,100      | 342,411      |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)  |  |                     |              |              |
|   | 172 shs.   | 03/26/12            | 17,220       | 14,794       |

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\* 03/26/12, 05/25/12 and 06/19/12. 1,684,732      1,651,579

Clarion Brands Holding Corp.

A portfolio of six over-the-counter (OTC) pharmaceutical brands whose products are used to treat tinnitus or ringing of the ear, excessive sweating, urinary tract infections, muscle pain, and skin conditions.

12.5% Senior Subordinated Note due

|                  |              |          |           |           |
|------------------|--------------|----------|-----------|-----------|
| 09/30/2021       | \$ 3,205,726 | 10/01/14 | 3,145,014 | 3,240,788 |
| Common Stock (B) | 3,182        | 10/01/14 | 318,182   | 206,820   |
|                  |              |          | 3,463,196 | 3,447,608 |

Clough, Harbour and Associates

An engineering service firm that is located in Albany, NY.

|                     |          |          |         |         |
|---------------------|----------|----------|---------|---------|
| Preferred Stock (B) | 277 shs. | 12/02/08 | 276,900 | 729,198 |
|---------------------|----------|----------|---------|---------|

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost                 | Fair Value           |
|--|---|------------------|----------------------|----------------------|
| <b>C o m p a s s C h e m i c a l</b>   |   |                  |                      |                      |
| International LLC  |   |                  |                      |                      |
| A manufacturer and supplier of standard and specialty formulated chemicals, primarily phosphoric acid derivatives called phosphonates. |   |                  |                      |                      |
| 13% Senior Subordinated Note due 10/4/2020   | \$ 3,037,681  | 03/04/15         | \$ 2,977,174         | \$ 3,055,478         |
| Limited Liability Company Unit   | 467 uts.  | 03/04/15         | 466,700<br>3,443,874 | 443,365<br>3,498,843 |
| <b>C o n n e c t i c u t E l e c t r i c , I n c .</b>   |   |                  |                      |                      |
| A supplier and distributor of electrical products sold into the retail and wholesale markets.  |   |                  |                      |                      |
| Limited Liability Company Unit Class A (B)   | 156,046 uts.  | 01/12/07         | 156,046              | 143,137              |
| Limited Liability Company Unit Class C (B)   | 112,873 uts.  | 01/12/07         | 112,873              | 110,953              |
| Limited Liability Company Unit Class D (B)   | 1,268,437 uts.  | 05/03/10         | —                    | 1,444,660            |
| Limited Liability Company Unit Class E (B)   | 2,081 uts.  | 05/03/10         | —<br>268,919         | —<br>1,698,750       |
| <b>C r a n e R e n t a l C o r p o r a t i o n</b>   |   |                  |                      |                      |
| A crane rental company since 1960, headquartered in Florida.   |   |                  |                      |                      |
| 13% Senior Subordinated Note due 11/30/2015  | \$ 1,313,250  | 08/21/08         | 1,295,633            | 1,313,250            |
| Common Stock (B)   | 255,000 shs.  | 08/21/08         | 255,000              | 247,524              |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 136,070 shs.  | 08/21/08         | 194,826<br>1,745,459 | 132,080<br>1,692,854 |
| <b>C T M H o l d i n g , I n c .</b>   |   |                  |                      |                      |
| A leading owner and operator of coin-operated children's rides, penny presses and candy kiosks in the U.S.                             |   |                  |                      |                      |
| 15% Senior Subordinated Note due 11/22/2019  | \$ 2,461,586  | 11/22/13         | 2,421,597            | 2,510,818            |
| Common Stock (B)   | 62,088 shs.   | 11/22/13         | 886,364              | 702,183              |



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|  |              |          |           |           |
|--|--------------|----------|-----------|-----------|
|  |              |          | 3,307,961 | 3,213,001 |
| Custom Engineered Wheels,<br>Inc.  |              |          |           |           |
| A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used primarily for lawn and garden products and wheelchairs. |              |          |           |           |
| Preferred Stock PIK (B)  | 296 shs.     | 10/26/09 | 295,550   | 340,790   |
| Preferred Stock Series A (B)   | 216 shs.     | 10/27/09 | 197,152   | 248,994   |
| Common Stock (B)   | 72 shs.      | 10/26/09 | 72,238    | —         |
| Warrant, exercisable until<br>2016, to purchase<br>common stock at \$.01 per<br>share (B)  | 53 shs.      | 10/27/09 | 48,608    | —         |
|  |              |          | 613,548   | 589,784   |
| DPL Holding Corporation  |              |          |           |           |
| A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.   |              |          |           |           |
| 14% Senior Subordinated Note due<br>05/04/2019   | \$ 3,253,895 | 05/04/12 | 3,210,812 | 3,286,434 |
| Preferred Stock (B)  | 61 shs.      | 05/04/12 | 605,841   | 719,447   |
| Common Stock (B)   | 61 shs.      | 05/04/12 | 67,316    | 340,060   |
|  |              |          | 3,883,969 | 4,345,941 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| <b>Dunn Paper</b>  |   |                  |              |              |
| A provider of specialty paper for niche product applications.  |   |                  |              |              |
| 11.25% Senior Subordinated Note due 06/30/2020   |   |                  |              |              |
|  | \$ 2,969,697  | 12/30/14         | \$ 2,912,306 | \$ 2,995,473 |
| Preferred Stock (B)  |   |                  |              |              |
|  | 530 shs.  | 12/30/14         | 530,303      | 503,785      |
|  |   |                  | 3,442,609    | 3,499,258    |
| <b>E S P Holdco, Inc.</b>  |   |                  |              |              |
| A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.                                      |   |                  |              |              |
| Common Stock (B)   |   |                  |              |              |
|  | 660 shs.  | 01/08/08         | 329,990      | 658,798      |
| <b>Eatem Holding Company</b>   |   |                  |              |              |
| A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products produced by food manufacturers for retail and foodservice end products. |   |                  |              |              |
| Common Stock (B)   |   |                  |              |              |
|  | 150 shs.  | 02/01/10         | 150,000      | 277,064      |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)   |   |                  |              |              |
|  | 358 shs.  | 02/01/10         | 321,300      | 660,614      |
|  |   |                  | 471,300      | 937,678      |
| <b>ECG Consulting Group</b>  |   |                  |              |              |
| A healthcare management consulting company who provides strategic, financial, operational, and technology related consulting services to healthcare providers.               |   |                  |              |              |
| 11.75% Senior Subordinated Note due 11/21/2020   |   |                  |              |              |
|  | \$ 2,632,059  | 11/19/14         | 2,574,780    | 2,668,953    |
| Limited Liability Company Unit (B)   |   |                  |              |              |
|  | 467 uts.  | 11/19/14         | 145,833      | 128,868      |
|  |   |                  | 2,720,613    | 2,797,821    |
| <b>EPM Holding Company</b>   |   |                  |              |              |
| A provider of non-discretionary regulatory driven engineering services that support mission critical safety and operational aspects of nuclear power plants.                 |   |                  |              |              |
| 14.5% Senior Subordinated Note due 07/26/2019  |   |                  |              |              |
|  | \$ 883,970  | 07/26/13         | 869,882      | 901,650      |
| Common Stock   |   |                  |              |              |
|  | 3,069 shs.  | 07/26/13         | 306,947      | 475,636      |
|  |   |                  | 1,176,829    | 1,377,286    |
| <b>ERG Holding Company LLC</b>   |   |                  |              |              |

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A provider of inpatient and outpatient clinical trial services to pharmaceutical companies and contract research organizations.

13.5% Senior Subordinated

|                     |    |           |          |           |           |
|---------------------|----|-----------|----------|-----------|-----------|
| Note due 10/04/2019 | \$ | 1,915,925 | 04/04/14 | 1,883,042 | 1,919,125 |
| Common Stock (B)    |    | 63 shs.   | 04/04/14 | 157,314   | 157,325   |
|                     |    |           |          | 2,040,356 | 2,076,450 |

F F C Holding Corporation

A leading U.S. manufacturer of private label frozen novelty and ice cream products.

Limited Liability Company

|                    |  |          |          |         |         |
|--------------------|--|----------|----------|---------|---------|
| Unit Preferred (B) |  | 512 uts. | 09/27/10 | 175,035 | 205,807 |
|--------------------|--|----------|----------|---------|---------|

Limited Liability Company

|          |  |          |          |         |         |
|----------|--|----------|----------|---------|---------|
| Unit (B) |  | 512 uts. | 09/27/10 | 51,220  | 439,003 |
|          |  |          |          | 226,255 | 644,810 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)   | Principal<br>Amount,<br>Shares, Units<br>or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost      | Fair Value |
|---|--|---------------------|-----------|------------|
| <b>F G I Equity LLC</b>   |  |                     |           |            |
| A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings. |  |                     |           |            |
| Limited Liability Company Unit Preferred (B)  | 483,355 uts.   | 04/15/14            | \$ —      | \$ 483,355 |
| Limited Liability Company Unit Class B-1 (B)  | 394,737 uts.   | 12/15/10            | 394,737   | 703,506    |
| Limited Liability Company Unit Class B-2 (B)  | 49,488 uts.  | 12/15/10            | 49,488    | 88,198     |
| Limited Liability Company Unit Class B-3 (B)  | 39,130 uts.  | 08/30/12            | 90,000    | 79,404     |
| Limited Liability Company Unit Class C (B)  | 9,449 uts.   | 12/20/10            | 96,056    | 145,726    |
|   |  |                     | 630,281   | 1,500,189  |
| <b>G C Holdings</b>   |  |                     |           |            |
| A leading manufacturer of gaming tickets, industrial recording charts, security-enabled point-of sale receipts, and medical charts and supplies.  |  |                     |           |            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 594 shs.   | 10/19/10            | 140,875   | 402,384    |
| <b>GD Dental Services LLC</b>   |  |                     |           |            |
| A provider of convenient “onestop” general, specialty, and cosmetic dental services with 21 offices located throughout South and Central Florida.   |  |                     |           |            |
| Limited Liability Company Unit Common (B)   | 1,840 uts.   | 10/05/12            | 1,840     | 73,530     |
| Limited Liability Company Unit Preferred (B)  | 182 uts.   | 10/05/12            | 182,209   | 210,639    |
|   |  |                     | 184,049   | 284,169    |
| <b>GenNx Novel Holding, Inc.</b>  |  |                     |           |            |
| A manufacturer and distributor of nutraceutical ingredients.  |  |                     |           |            |
| 13% Senior Subordinated Note due 03/27/2020   | \$ 3,209,906   | 03/27/14            | 3,153,886 | 3,209,906  |
| Common Stock (B)  | 31,500 shs.  | 03/27/14            | 315,000   | 225,243    |
|   |  |                     | 3,468,886 | 3,435,149  |
| <b>gloProfessional Holdings, Inc.</b>   |  |                     |           |            |

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A marketer and distributor of premium mineral-based cosmetics, cosmeceuticals and professional hair care products to the professional spa and physician's office channels.

|  |              |          |           |           |
|--|--------------|----------|-----------|-----------|
| 14% Senior Subordinated Note<br>due 03/27/2019 | \$ 2,827,586 | 03/27/13 | 2,786,634 | 2,827,586 |
| Common Stock (B)                               | 2,835 shs.   | 03/27/13 | 283,465   | 414,922   |
|  |              |          | 3,070,099 | 3,242,508 |

Golden County Foods Holding,  
Inc.

A manufacturer of frozen  
appetizers and snacks.

|  |              |          |           |   |
|--|--------------|----------|-----------|---|
| 14% Senior Subordinated Note<br>due 11/13/2019 (D) | \$ 73,550    | 11/13/13 | 436,682   | — |
| Preferred Stock (B)                                | 287,658 shs. | 11/13/13 | 146,658   | — |
| Preferred Stock Series F (B)                       | 294,200 shs. | 11/13/13 | 1,746,726 | — |
|  |              |          | 2,330,066 | — |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)   | Principal<br>Amount,<br>Shares, Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost         | Fair Value   |
|---|---|---------------------|--------------|--------------|
| <b>Grakon Parent</b>  |   |                     |              |              |
| The leading designer and manufacturer of highly-engineered and customized LED and incandescent lighting systems for transportation-based markets. |   |                     |              |              |
| 12% Senior Subordinated Note due 04/30/2021   | \$ 3,145,270  | 10/31/14            | \$ 3,085,101 | \$ 3,183,185 |
| Common Stock (B)  | 355 shs.  | 10/31/14            | 354,730      | 363,192      |
|   |   |                     | 3,439,831    | 3,546,377    |
| <b>GTI Holding Company</b>  |   |                     |              |              |
| A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.  |   |                     |              |              |
| 12% Senior Subordinated Note due 02/05/2020   | \$ 1,455,729  | 02/05/14            | 1,366,796    | 1,467,969    |
| Common Stock (B)  | 1,693 shs.  | 02/05/14            | 169,271      | 167,174      |
| Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B)  | 795 shs.  | 02/05/14            | 73,633       | 78,502       |
|   |   |                     | 1,609,700    | 1,713,645    |
| <b>Handi Quilter Holding Company</b>  |   |                     |              |              |
| A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.                                |   |                     |              |              |
| 12% Senior Subordinated Note due 06/19/2021   | \$ 2,916,667  | 12/19/14            | 2,860,020    | 2,944,681    |
| Limited Liability Company (B)   | 583 uts.  | 12/19/14            | 583,336      | 584,864      |
| Limited Liability Company (B)   | 5,833 uts.  | 12/19/14            | —            | 25,665       |
|   |   |                     | 3,443,356    | 3,555,210    |
| <b>Hartland Controls Holding Corporation</b>  |   |                     |              |              |
| A manufacturer and distributor of electronic and electromechanical components.  |   |                     |              |              |
| 14% Senior Subordinated Note due 08/14/2019   | \$ 2,211,488  | 02/14/14            | 2,173,714    | 2,255,718    |
| Preferred Stock Series A (B)  | 5,169 shs.  | 02/14/14            | 516,852      | 563,643      |
| Common Stock (B)  | 1,666 shs.  | 02/14/14            | 1,667        | 323,300      |
|   |   |                     | 2,692,233    | 3,142,661    |
| <b>Healthcare Direct Holding Company</b>  |   |                     |              |              |
| A direct-to-consumer marketer of discount dental plans.   |   |                     |              |              |

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|   |              |          |           |           |
|---|--------------|----------|-----------|-----------|
| Common Stock (B)  | 1,552 shs.   | 03/09/12 | 155,172   | 226,079   |
| HHI Group, LLC  |              |          |           |           |
| A developer, marketer, and distributor of hobby-grade radio control products. |              |          |           |           |
| 14% Senior Subordinated Note<br>due 01/17/2020                                | \$ 3,121,050 | 01/17/14 | 3,068,544 | 3,147,050 |
| Limited Liability Company Unit<br>(B)   | 203 uts.     | 01/17/14 | 203,125   | 138,515   |
|   |              |          | 3,271,669 | 3,285,565 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| <b>Hi-Rel Group LLC</b>  |   |                  |              |              |
| A manufacturer and distributor of precision metal piece parts for the microelectronic packaging industry, serving the aerospace/ defense, telecommunications, and medical end markets. |   |                  |              |              |
| 12% Senior Subordinated Note due 03/15/2018  | 1,687,500   | 04/15/13         | \$ 1,611,148 | \$ 1,703,789 |
| Limited Liability Company Unit (B)   | 563 uts.  | 04/15/13         | 562,500      | 430,161      |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)   | 89,224 shs.   | 04/15/13         | 77,625       | 64,818       |
|  |   |                  | 2,251,273    | 2,198,768    |
| <b>HOP Entertainment LLC</b>   |   |                  |              |              |
| A provider of post production equipment and services to producers of television shows and motion pictures.   |   |                  |              |              |
| Limited Liability Company Unit Class F (B)   | 89 uts.   | 10/14/11         | —            | —            |
| Limited Liability Company Unit Class G (B)   | 215 uts.  | 10/14/11         | —            | —            |
| Limited Liability Company Unit Class H (B)   | 89 uts.   | 10/14/11         | —            | —            |
| Limited Liability Company Unit Class I (B)   | 89 uts.   | 10/14/11         | —            | —            |
| <b>Hospitality Mints Holding Company</b>   |   |                  |              |              |
| A manufacturer of individually-wrapped imprinted promotional mints.  |   |                  |              |              |
| 12% Senior Subordinated Note due 08/19/2016  | \$ 2,075,581  | 08/19/08         | 2,032,770    | 2,075,581    |
| Common Stock (B)   | 474 shs.  | 08/19/08         | 474,419      | 152,035      |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 123 shs.  | 08/19/08         | 113,773      | 39,295       |
|  |   |                  | 2,620,962    | 2,266,911    |
| <b>HVAC Holdings, Inc.</b>   |   |                  |              |              |
| A provider of integrated energy efficiency services and maintenance programs for HVAC systems.   |   |                  |              |              |
|  | \$ 2,857,015  | 09/27/12         | 2,815,064    | 2,885,585    |



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12.5% Senior Subordinated  
Note due 09/27/2019

Limited Liability Company

|                            |            |          |           |           |
|----------------------------|------------|----------|-----------|-----------|
| Unit Class A Common (B)    | 2,185 uts. | 09/27/12 | 2,185     | 73,361    |
| Limited Liability Company  |            |          |           |           |
| Unit Class A Preferred (B) | 2,705 uts. | 09/27/12 | 270,542   | 341,319   |
|                            |            |          | 3,087,791 | 3,300,265 |

Ideal Tridon Holdings, Inc.

A designer and manufacturer of clamps and couplings used in automotive and industrial end markets.

|                  |          |          |         |         |
|------------------|----------|----------|---------|---------|
| Common Stock (B) | 279 shs. | 10/27/11 | 278,561 | 562,601 |
|------------------|----------|----------|---------|---------|

Impact Confections

An independent manufacturer and marketer of confectionery products including Warheads® brand sour candies, Melster® brand classic candies, and co-manufactured/private label classic candies.

13% Senior Subordinated

|                     |              |          |           |           |
|---------------------|--------------|----------|-----------|-----------|
| Note due 11/04/2020 | \$ 2,166,794 | 11/10/14 | 2,125,529 | 2,196,030 |
| Common Stock (B)    | 4,667 shs.   | 11/10/14 | 466,667   | 320,404   |
|                     |              |          | 2,592,196 | 2,516,434 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)   | Principal<br>Amount,<br>Shares, Units<br>or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                 | Fair Value           |
|---|--|---------------------|----------------------|----------------------|
| Insurance Claims Management,<br>Inc.<br>A third party administrator providing auto and property claim administration services for<br>insurance companies. |  |                     |                      |                      |
| Common Stock (B)  | 89 shs.  | 02/27/07            | \$ 2,689             | \$ 462,168           |
| J A C Holding Enterprises, Inc.<br>A supplier of luggage racks and accessories to the original equipment manufacturers.                                   |  |                     |                      |                      |
| Preferred Stock A (B)   | 495 shs.   | 12/20/10            | 495,000              | 607,566              |
| Preferred Stock B (B)   | 0.17 shs.  | 12/20/10            | —                    | 205                  |
| Common Stock  | 100 shs.   | 12/20/10            | 5,000                | —                    |
| Warrant, exercisable until 2020,<br>to purchase<br>common stock at \$.01 per share  |  |                     |                      |                      |
|   | 36 shs.  | 12/20/10            | 316,930<br>816,930   | 173,713<br>781,484   |
| Janus Group Holdings LLC<br>A manufacturer of roll-up doors and hallway systems that are primarily used in self-storage facilities.                       |  |                     |                      |                      |
| 13.5% Senior Subordinated<br>Note due 06/10/2019  | \$ 2,684,783   | 12/11/13            | 2,640,425            | 2,738,479            |
| Limited Liability Company   |  |                     |                      |                      |
| Unit Class A (B)  | 565 uts.   | 12/11/13            | 278,515<br>2,918,940 | 946,897<br>3,685,376 |
| JMH Investors LLC<br>A developer and manufacturer of custom formulations for a wide variety of foods.   |  |                     |                      |                      |
| 14.25% Senior Subordinated<br>Note due 12/05/2019   | \$ 2,610,819   | 12/05/12            | 2,572,530            | 2,473,775            |
| Limited Liability Company   |  |                     |                      |                      |
| Unit (B)  | 748,119 uts.   | 12/05/12            | 539,849<br>3,112,379 | 174,323<br>2,648,098 |
| K & N Parent, Inc.<br>A manufacturer and supplier of automotive aftermarket performance air filters and intake systems.                                   |  |                     |                      |                      |
| Preferred Stock Series A  | 305 shs.   | 12/23/11            | —                    | —                    |
| Preferred Stock Series B  | 86 shs.  | 12/23/11            | —                    | —                    |
| Common Stock  | 489 shs.   | *                   | 19,565               | 477,422              |
| * 12/23/11 and 06/30/14.  |  |                     | 19,565               | 477,422              |

K N B Holdings Corporation

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A designer, manufacturer and marketer of products for the custom framing market.

|   |              |          |                   |                   |
|---|--------------|----------|-------------------|-------------------|
| Common Stock (B)  | 134,210 shs. | 05/24/06 | 134,210           | 108,427           |
| Warrant, exercisable until 2016,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 82,357 shs.  | 05/25/06 | 71,534<br>205,744 | 66,535<br>174,962 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost              | Fair Value         |
|---|---|------------------|-------------------|--------------------|
| <b>K P I Holdings, Inc.</b>   |   |                  |                   |                    |
| The largest player in the U.S. non-automotive, non-ferrous die casting segment.   |   |                  |                   |                    |
| Convertible Preferred Stock Series C (B)  | 55 shs.   | 06/30/09         | \$ 55,435         | \$ 187,733         |
| Convertible Preferred Stock Series D (B)  | 24 shs.   | 09/17/09         | 24,476            | 79,528             |
| Common Stock (B)  | 443 shs.  | 07/15/08         | 443,478           | 387,845            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 96 shs.   | 07/16/08         | 96,024            | 83,974             |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 128 shs.  | 09/17/09         | —<br>619,413      | 111,592<br>850,672 |
| <b>M V I Holding, Inc.</b>  |   |                  |                   |                    |
| A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets. |   |                  |                   |                    |
| Common Stock (B)  | 61 shs.   | 09/12/08         | 60,714            | —                  |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 66 shs.   | 09/12/08         | 65,571<br>126,285 | —<br>—             |
| <b>Mail Communications Group, Inc.</b>  |   |                  |                   |                    |
| A provider of mail processing and handling services, lettershop services, and commercial printing services.   |   |                  |                   |                    |
| Limited Liability Company Unit  | 24,109 uts.   | *                | 314,464           | 513,843            |
| Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)  | 3,375 shs.  | 05/04/07         | 43,031            | 71,933             |
| * 05/04/07 and 01/02/08.  |   |                  | 357,495           | 585,776            |
| <b>Manhattan Beachwear Holding Company</b>  |   |                  |                   |                    |

A designer and distributor of women's swimwear.

|  |    |           |          |           |           |
|--|----|-----------|----------|-----------|-----------|
| 12.5% Senior Subordinated Note due 01/15/2018                                    | \$ | 1,259,914 | 01/15/10 | 1,181,462 | 1,259,914 |
| 15% Senior Subordinated Note due 01/15/2018                                      | \$ | 343,611   | 10/05/10 | 340,369   | 343,611   |
| Common Stock (B)   |    | 106 shs.  | 10/05/10 | 106,200   | 124,422   |
| Common Stock Class B (B)   |    | 353 shs.  | 01/15/10 | 352,941   | 413,497   |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) |    | 312 shs.  | 10/05/10 | 283,738   | 365,943   |
|  |    |           |          | 2,264,710 | 2,507,387 |

MedSystems Holdings LLC

A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding.

|                         |  |            |          |         |         |
|-------------------------|--|------------|----------|---------|---------|
| Preferred Unit (B)      |  | 126 uts.   | 08/29/08 | 87,177  | 164,783 |
| Common Unit Class A (B) |  | 1,268 uts. | 08/29/08 | 1,268   | 194,274 |
| Common Unit Class B (B) |  | 497 uts.   | 08/29/08 | 120,064 | 76,213  |
|                         |  |            |          | 208,509 | 435,270 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|---|---|------------------|--------------|--------------|
| <b>Merex Holding Corporation</b>  |   |                  |              |              |
| A provider of after-market spare parts and components, as well as Maintenance, Repair and Overhaul services for "out of production" or "legacy" aerospace and defense systems that are no longer effectively supported by the original equipment manufacturers. |   |                  |              |              |
| 14% Senior Subordinated Note due 10/30/2019   | \$ 1,362,886  | 09/22/11         | \$ 1,346,552 | \$ 1,333,260 |
| Limited Liability Company Unit Series A   | 684 uts.  | 05/07/14         | 44,281       | 36,220       |
| Limited Liability Company Unit Series B (B)   | 467,833 uts.  | 09/22/11         | 467,833      | 496,942      |
|   |   |                  | 1,858,666    | 1,866,422    |
| <b>MES Partners, Inc.</b>   |   |                  |              |              |
| An industrial service business offering an array of cleaning and environmental services to the Gulf Coast region of the U.S.  |   |                  |              |              |
| 12% Senior Subordinated Note due 09/30/2021   | \$ 2,206,446  | 09/30/14         | 2,164,601    | 2,237,290    |
| Common Stock Class B (B)  | 445,455 shs.  | 09/30/14         | 445,455      | 423,182      |
|   |   |                  | 2,610,056    | 2,660,472    |
| <b>MicroGroup, Inc.</b>   |   |                  |              |              |
| A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.  |   |                  |              |              |
| 7% Senior Subordinated Note due 06/30/2015 (D)  | \$ 1,705,152  | *                | 1,635,166    | 1,541        |
| Preferred Stock Series A (B)  | 980 shs.  | 10/10/12         | 942,054      | —            |
| Common Stock (B)  | 450 shs.  | *                | 450,000      | —            |
| Common Stock Series B (B)   | 1,128 shs.  | 10/10/12         | 11           | —            |
| Warrant, exercisable until 2015, to purchase common stock at \$.02 per share (B)  | 164 shs.  | *                | 162,974      | —            |
| * 08/12/05 and 09/11/06.  |   |                  | 3,190,205    | 1,541        |
| <b>MNX Holding Company</b>  |   |                  |              |              |
| An international third party logistics company providing customized logistics services to customers across the globe.   |   |                  |              |              |
| 14% Senior Subordinated Note due 11/02/2019   | \$ 3,035,587  | 11/02/12         | 2,991,672    | 2,944,939    |
| Common Stock (B)  | 107 shs.  | 11/02/12         | 107,143      | 31,676       |
|   |   |                  | 3,098,815    | 2,976,615    |
| <b>Money Mailer</b>   |   |                  |              |              |

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A leading provider of hyperlocal shared direct mail advertising as well as interactive and online advertising solutions through its nationwide production and distribution network.

|                 |                |          |           |           |
|-----------------|----------------|----------|-----------|-----------|
| Preferred Stock | 2,704,364 shs. | 12/10/14 | 2,663,799 | 2,704,364 |
|-----------------|----------------|----------|-----------|-----------|

Motion Controls Holdings

A manufacturer of high performance mechanical motion control and linkage products.

14.25% Senior Subordinated

|                     |              |          |           |           |
|---------------------|--------------|----------|-----------|-----------|
| Note due 08/15/2020 | \$ 2,935,729 | 11/30/10 | 2,906,841 | 2,935,729 |
|---------------------|--------------|----------|-----------|-----------|

Limited Liability Company

|                    |              |          |   |         |
|--------------------|--------------|----------|---|---------|
| Unit Class B-1 (B) | 225,000 uts. | 11/30/10 | — | 239,132 |
|--------------------|--------------|----------|---|---------|

Limited Liability Company

|                    |             |          |           |           |
|--------------------|-------------|----------|-----------|-----------|
| Unit Class B-2 (B) | 20,403 uts. | 11/30/10 | —         | 21,685    |
|                    |             |          | 2,906,841 | 3,196,546 |

NABCO, Inc.

A producer of explosive containment vessels in the United States.

|                  |          |          |         |         |
|------------------|----------|----------|---------|---------|
| Common Stock (B) | 809 shs. | 12/20/12 | 578,174 | 399,748 |
|------------------|----------|----------|---------|---------|

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| NetShape Technologies, Inc.<br>A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications.  |   |                  |              |              |
| 12% Senior Subordinated Note due 06/10/2020  | \$ 1,530,000  | 02/02/07         | \$ 1,528,263 | \$ 1,530,000 |
| Limited Partnership Interest of  |   |                  |              |              |
| Saw Mill PCG Partners LLC (B)  | 2.73% int.  | 02/01/07         | 1,110,810    | —            |
| Limited Liability Company Unit Class D of  |   |                  |              |              |
| Saw Mill PCG Partners LLC (B)  | 17 uts.   | *                | 16,759       | —            |
| Limited Liability Company Unit Class D-1 of  |   |                  |              |              |
| Saw Mill PCG Partners LLC (B)  | 229 uts.  | 09/30/09         | 228,858      | 435,241      |
| Limited Liability Company Unit Class D-2 of  |   |                  |              |              |
| Saw Mill PCG Partners LLC (B)  | 128 uts.  | 04/29/11         | 65,256       | 293,818      |
| Limited Liability Company Unit Class D-3 of  |   |                  |              |              |
| Saw Mill PCG Partners LLC (B)  | 196 uts.  | 12/10/14         | 196,263      | 207,643      |
|  |   |                  | 3,146,209    | 2,466,702    |
| * 12/18/08 and 09/30/09.   |   |                  |              |              |
| Northwest Mailing Services, Inc.<br>A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs. |   |                  |              |              |
| Limited Partnership Interest (B)   | 3,287 uts.  | *                | 328,679      | 240,778      |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)   |   |                  |              |              |
|  | 4,920 shs.  | *                | 492,016      | 360,433      |
|  |   |                  | 820,695      | 601,211      |
| * 07/09/09 and 08/09/10.   |   |                  |              |              |
| O E C Holding Corporation  |   |                  |              |              |



A provider of elevator maintenance, repair and modernization services.

13% Senior Subordinated

|                              |              |          |           |           |
|------------------------------|--------------|----------|-----------|-----------|
| Note due 08/23/2018          | \$ 1,333,333 | 06/04/10 | 1,274,170 | 1,333,333 |
| Preferred Stock Series A (B) | 1,661 shs.   | 06/04/10 | 166,062   | 205,358   |
| Preferred Stock Series B (B) | 934 shs.     | 06/04/10 | 93,376    | —         |
| Common Stock (B)             | 1,032 shs.   | 06/04/10 | 1,032     | —         |
|                              |              |          | 1,534,640 | 1,538,691 |

Pearlman Enterprises, Inc.

A developer and distributor of tools, equipment, and supplies to the natural and engineered stone industry.

|                              |             |          |           |           |
|------------------------------|-------------|----------|-----------|-----------|
| Preferred Stock Series A (B) | 2,334 shs.  | 05/22/09 | 111,508   | 2,922,214 |
| Preferred Stock Series B (B) | 13,334 shs. | 05/22/09 | 547,872   | 95,441    |
| Common Stock (B)             | 40,540 shs. | 05/22/09 | 1,877,208 | —         |
|                              |             |          | 2,536,588 | 3,017,655 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)   | Principal<br>Amount,<br>Shares, Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                 | Fair Value           |
|---|---|---------------------|----------------------|----------------------|
| Petroplex Inv Holdings LLC<br>A leading provider of acidizing services to E&P customers in the Permian Basin.                           |   |                     |                      |                      |
| Limited Liability Company<br>Unit   | 375,000 uts.  | 11/29/12            | \$ 375,000           | \$ 449,735           |
| Polytex Holdings LLC<br>A manufacturer of water based inks and related products serving primarily<br>the wall covering market.          |   |                     |                      |                      |
| 13% Senior Subordinated Note<br>due 01/31/2020  | \$ 2,117,447  | 07/31/14            | 2,079,024            | 2,139,394            |
| Limited Liability Company<br>Unit   | 300,485 uts.  | 07/31/14            | 300,485<br>2,379,509 | 400,787<br>2,540,181 |
| PPC Event Services<br>A special event equipment<br>rental business.   |   |                     |                      |                      |
| 14% Senior Subordinated Note<br>due 05/20/2020  | \$ 2,286,375  | 11/20/14            | 2,242,685            | 2,319,805            |
| Limited Liability Company<br>Unit (B)   | 7,000 uts.  | 11/20/14            | 350,000<br>2,592,685 | 344,044<br>2,663,849 |
| R A J Manufacturing Holdings<br>LLC<br>A designer and manufacturer of women's swimwear sold under a variety of<br>licensed brand names. |   |                     |                      |                      |
| 8% Senior Subordinated Note<br>due 01/02/2017 (D)   | \$ 94,270   | 01/02/14            | 410,667              | 94,270               |
| Limited Liability Company<br>Unit (B)   | 2,828 uts.  | 12/15/06            | 282,810              | —                    |
| Limited Liability Company<br>Unit Class B Common (B)  | 10 uts.   | 01/02/14            | 414,787              | —                    |
| Limited Liability Company<br>Unit Class B-1 Preferred (B)   | 18 uts.   | 01/02/14            | 707,024              | 707,022              |
| Warrant, exercisable until 2017,<br>to purchase<br>common stock at \$.01 per share<br>(B)   | 3 shs.  | 12/15/06            | 131,483<br>1,946,771 | —<br>801,292         |

REVSpring, Inc.

A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.

Limited Liability Company

|                  |             |   |         |         |
|------------------|-------------|---|---------|---------|
| Unit Class A (B) | 40,643 uts. | * | 406,432 | 538,147 |
|------------------|-------------|---|---------|---------|

\* 10/21/11 and 08/03/12.

Safety Infrastructure Solutions

A provider of trench safety equipment to a diverse customer base across multiple end markets in Texas and the Southwestern United States.

|                     |            |          |         |         |
|---------------------|------------|----------|---------|---------|
| Preferred Stock (B) | 6,294 shs. | 03/30/12 | 251,758 | 323,343 |
|---------------------|------------|----------|---------|---------|

|                  |            |          |        |         |
|------------------|------------|----------|--------|---------|
| Common Stock (B) | 2,949 shs. | 03/30/12 | 29,492 | 222,125 |
|------------------|------------|----------|--------|---------|

|  |  |  |         |         |
|--|--|--|---------|---------|
|  |  |  | 281,250 | 545,468 |
|--|--|--|---------|---------|

Signature Systems Holdings

Company

A seller and installer of a variety of modular surfaces, industrial matting and related products used for ground protection.

|                  |          |          |         |         |
|------------------|----------|----------|---------|---------|
| Common Stock (B) | 181 shs. | 03/15/13 | 181,221 | 481,214 |
|------------------|----------|----------|---------|---------|

Warrant, exercisable until 2023, to purchase

|                                     |         |          |        |         |
|-------------------------------------|---------|----------|--------|---------|
| common stock at \$.01 per share (B) | 74 shs. | 03/15/13 | 67,958 | 196,580 |
|-------------------------------------|---------|----------|--------|---------|

|  |  |  |         |         |
|--|--|--|---------|---------|
|  |  |  | 249,179 | 677,794 |
|--|--|--|---------|---------|

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|--|---|------------------|------------|------------|
| Smart Source Holdings LLC<br>A short-term computer rental company.   |   |                  |            |            |
| Limited Liability Company Unit (B)   | 619 uts.  | *                | \$ 493,496 | \$ 653,299 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)   |   |                  |            |            |
|  | 157 shs.  | *                | 127,437    | 165,503    |
|  |   |                  | 620,933    | 818,802    |
| * 08/31/07 and 03/06/08.   |   |                  |            |            |
| SMB Machinery Holdings, Inc.<br>A reseller of used, rebuilt and refurbished packaging and processing equipment, primarily serving the bottling and food manufacturing industries.                                    |   |                  |            |            |
| 14% Senior Subordinated Note due 10/18/2019  | \$ 1,499,660  | 10/18/13         | 1,475,492  | 1,411,376  |
| Common Stock (B)   | 1,681 shs.  | 10/18/13         | 168,100    | 55,112     |
|  |   |                  | 1,643,592  | 1,466,488  |
| Spartan Foods Holding Company<br>A manufacturer of branded pizza crusts and pancakes.  |   |                  |            |            |
| 12.25% Senior Subordinated Note due 03/01/2019   | \$ 1,143,342  | 12/15/09         | 1,050,484  | 1,143,342  |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)   |   |                  |            |            |
|  | 257 shs.  | 12/15/09         | 227,109    | 206,043    |
|  |   |                  | 1,277,593  | 1,349,385  |
| Strahman Holdings Inc.<br>A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining. |   |                  |            |            |
| 14% Senior Subordinated Note due 06/13/2019  | \$ 2,119,565  | 12/13/13         | 2,082,218  | 2,118,236  |
| Preferred Stock A (B)  | 317,935 shs.  | 12/13/13         | 317,935    | 389,524    |
|  |   |                  | 2,400,153  | 2,507,760  |
| Sundance Investco LLC<br>A provider of post-production services to producers of movies and television shows.   |   |                  |            |            |

Limited Liability Company

|                  |            |          |   |   |
|------------------|------------|----------|---|---|
| Unit Class A (B) | 6,429 uts. | 03/31/10 | — | — |
|------------------|------------|----------|---|---|

Sunrise Windows Holding Company

A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market.

|  |              |          |                      |                      |
|--|--------------|----------|----------------------|----------------------|
| 14% Senior Subordinated Note due 12/14/2017                                      | \$ 3,147,426 | 12/14/10 | 3,060,230            | 3,171,329            |
| 14% Senior Subordinated PIK Note due 12/14/2017                                  | \$ 308,431   | 08/17/12 | 302,051              | 308,431              |
| Common Stock (B)   | 115 shs.     | 12/14/10 | 114,504              | 108,275              |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 112 shs.     | 12/14/10 | 111,747<br>3,588,532 | 105,675<br>3,693,710 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|--|---|------------------|--------------|--------------|
| <b>Synteract Holdings Corporation</b>  |   |                  |              |              |
| A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.   |   |                  |              |              |
| 14% Senior Subordinated Note due 02/26/2019  | \$ 4,107,609  | 09/02/08         | \$ 4,009,669 | \$ 4,107,609 |
| Preferred Stock Series D (B)   | 485 shs.  | 02/27/13         | 48,503       | —            |
| Redeemable Preferred Stock Series A (B)  | 1,280 shs.  | 10/03/08         | 12,523       | —            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)   | 12,803 shs.   | 09/02/08         | 112,693      | —            |
|  |   |                  | 4,183,388    | 4,107,609    |
| <b>Torrent Group Holdings, Inc.</b>  |   |                  |              |              |
| A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow. |   |                  |              |              |
| 3% Senior Subordinated Note due 12/31/2018 (D)   | \$ 2,006,491  | 12/05/13         | —            | 1,906,167    |
| 15% Senior Subordinated Note due 12/05/2020 (D)  | \$ 88,396   | 12/05/13         | 414,051      | 26,519       |
| Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)   | 53,038 shs.   | 12/05/13         | —            | —            |
|  |   |                  | 414,051      | 1,932,686    |
| <b>Transpac Holding Company</b>  |   |                  |              |              |
| A designer, importer and wholesaler of home décor and seasonal gift products.  |   |                  |              |              |
| 8% Senior Subordinated Note due 10/31/2015 (D)   | \$ 1,773,006  | 10/31/07         | 1,717,521    | —            |
| Common Stock (B)   | 209 shs.  | 10/31/07         | 208,589      | —            |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)   | 94 shs.   | 10/31/07         | 87,607       | —            |
|  |   |                  | 2,013,717    | —            |
| <b>Tranzonic Holdings LLC</b>  |   |                  |              |              |

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A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.

14% Senior Subordinated

|                     |    |           |          |           |           |
|---------------------|----|-----------|----------|-----------|-----------|
| Note due 07/05/2019 | \$ | 3,058,673 | 07/05/13 | 3,011,896 | 3,089,259 |
|---------------------|----|-----------|----------|-----------|-----------|

Limited Liability Company

|                  |  |              |          |           |           |
|------------------|--|--------------|----------|-----------|-----------|
| Unit Class A (B) |  | 295,455 uts. | 07/05/13 | 295,455   | 356,484   |
|                  |  |              |          | 3,307,351 | 3,445,743 |

Tristar Global Energy Solutions, Inc.

A hydrocarbon and decontamination services provider serving refineries worldwide.

12.5% Senior Subordinated

|                     |    |           |          |           |           |
|---------------------|----|-----------|----------|-----------|-----------|
| Note due 07/31/2020 | \$ | 2,259,928 | 01/23/15 | 2,214,806 | 2,255,579 |
|---------------------|----|-----------|----------|-----------|-----------|

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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount,<br>Shares, Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost       | Fair Value |
|---|--|---------------------|------------|------------|
| <b>Truck Bodies &amp; Equipment International</b>   |  |                     |            |            |
| A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, hoists, various forms of flat-bed bodies, landscape bodies and other accessories. |  |                     |            |            |
| Preferred Stock Series B (B)  | 241 shs.   | 10/20/08            | \$ 241,172 | \$ 953,375 |
| Common Stock (B)  | 742 shs.   | *                   | 800,860    | 228,888    |
| Warrant, exercisable until 2017, to purchase common stock at \$.02 per share (B)  | 153 shs.   | *                   | 159,894    | 47,274     |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 1,054 shs.   | 10/20/08            | —          | 325,080    |
| * 07/19/05 and 12/22/05.  |  |                     | 1,201,926  | 1,554,617  |
| <b>TruStile Doors, Inc.</b>   |  |                     |            |            |
| A manufacturer and distributor of interior doors.   |  |                     |            |            |
| Limited Liability Company Unit (B)  | 11,775 uts.  | 02/28/11            | 156,250    | 747,527    |
| <b>Vitex Packaging Group, Inc.</b>  |  |                     |            |            |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags.   |  |                     |            |            |
| Class B Unit (B)  | 767,881 uts.   | 10/29/09            | 348,058    | —          |
| Class C Unit (B)  | 850,000 uts.   | 10/29/09            | 780,572    | 626,705    |
| Limited Liability Company Unit Class A (B)  | 723,465 uts.   | *                   | 433,222    | —          |
| Limited Liability Company Unit Class B (B)  | 182,935 uts.   | 07/19/04            | 182,935    | —          |
| * 07/19/04 and 10/29/09.  |  |                     | 1,744,787  | 626,705    |
| <b>VP Holding Company</b>   |  |                     |            |            |
| A provider of school transportation services for special-needs and homeless children in Massachusetts.  |  |                     |            |            |
| 13% Senior Subordinated Note due 03/31/2021   | \$ 1,023,328   | 03/31/14            | 1,005,432  | 1,054,027  |
| Common Stock (B)  | 7,368 shs.   | 03/31/14            | 736,842    | 833,678    |
|   |  |                     | 1,742,274  | 1,887,705  |



Wellborn Forest Holding  
CompanyA manufacturer of  
semi-custom kitchen and bath  
cabinetry.

|   |              |          |           |   |
|---|--------------|----------|-----------|---|
| 8% Senior Subordinated Note<br>due 09/30/2017 (D)   | \$ 3,175,092 | 11/30/06 | 1,638,669 | — |
| Common Stock (B)  | 191 shs.     | 11/30/06 | 191,250   | — |
| Warrant, exercisable until<br>2016, to purchase<br>common stock at \$.01 per<br>share (B) | 95 shs.      | 11/30/06 | 86,493    | — |
|   |              |          | 1,916,412 | — |

Wheaton Holding  
CorporationA distributor and manufacturer of laboratory supply  
products and packaging.

|                              |            |          |         |         |
|------------------------------|------------|----------|---------|---------|
| Preferred Stock Series B (B) | 2,109 shs. | 06/08/10 | 210,924 | 327,059 |
| Common Stock (B)             | 1,058 shs. | 06/08/10 | 1,058   | 250,945 |
|                              |            |          | 211,982 | 578,004 |

## Babson Capital Corporate Investors

## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued)  | Principal<br>Amount,<br>Shares, Units<br>or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                  | Fair Value            |
|--|--|---------------------|-----------------------|-----------------------|
| <b>Whitcraft Holdings, Inc.</b>  |  |                     |                       |                       |
| A leading independent manufacturer of precision formed, machined, and fabricated flight-critical aerospace components. |  |                     |                       |                       |
| 12% Senior Subordinated Note due 12/16/2018  | \$ 2,383,562   | 12/16/10            | \$ 2,267,923          | \$ 2,383,562          |
| Common Stock (B)   | 616 shs.   | 12/16/10            | 616,438               | 317,090               |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)                                       | 166 shs.   | 12/16/10            | 148,003               | 85,203                |
|  |  |                     | 3,032,364             | 2,785,855             |
| <b>WP Supply Holding Corporation</b>   |  |                     |                       |                       |
| A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest. |  |                     |                       |                       |
| 14.5% Senior Subordinated Note due 06/12/2020  | \$ 2,776,275   | 11/03/11            | 2,743,696             | 2,790,346             |
| Common Stock   | 4,500 shs.   | 11/03/11            | 450,000               | 502,471               |
|  |  |                     | 3,193,696             | 3,292,817             |
| <b>York Wall Holding Company</b>   |  |                     |                       |                       |
| A designer, manufacturer and marketer of wall covering products for both residential and commercial wall coverings.    |  |                     |                       |                       |
| 12.5% Senior Subordinated Note due 03/04/2021  | \$ 3,131,088   | 03/04/15            | 3,069,075             | 3,150,630             |
| Common Stock (B)   | 3,723 shs.   | 03/04/15            | 372,300               | 353,685               |
|  |  |                     | 3,441,375             | 3,504,315             |
| <b>Total Private Placement Investments (E)</b>   |  |                     | <b>\$ 187,819,961</b> | <b>\$ 192,356,537</b> |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued) | Interest<br>Rate | Due<br>Date | Principal<br>Amount | Cost       | Market<br>Value |
|---|------------------|-------------|---------------------|------------|-----------------|
| Rule 144A Securities - 20.80%:                      |                  |             |                     |            |                 |
| Bonds - 20.75%                                      |                  |             |                     |            |                 |
| Acadia HealthCare Company Inc.                      | 5.625            | % 02/15/23  | \$ 640,000          | \$ 640,000 | \$ 651,200      |
| Alliant Techsystems Inc.                            | 5.250            | 10/01/21    | 1,000,000           | 1,000,000  | 1,015,000       |
| Altice S.A.   | 7.750            | 05/15/22    | 1,000,000           | 1,000,000  | 1,016,875       |
| Amsted Industries                                   | 5.375            | 09/15/24    | 520,000             | 520,000    | 520,000         |
| Ashtead Group plc                                   | 6.500            | 07/15/22    | 385,000             | 405,278    | 410,025         |
| Audatex North America, Inc.                         | 6.125            | 11/01/23    | 437,000             | 456,025    | 462,128         |
| Belden Inc.   | 5.250            | 07/15/24    | 410,000             | 410,000    | 413,075         |
| Beverage Packaging Holdings                         | 6.000            | 06/15/17    | 730,000             | 730,000    | 731,825         |
| Brunswick Corporation                               | 4.625            | 05/15/21    | 400,000             | 402,989    | 403,000         |
| California Resources Corporation                    | 6.000            | 11/15/24    | 970,000             | 970,000    | 851,175         |
| CITGO Petroleum Corporation                         | 6.250            | 08/15/22    | 925,000             | 925,000    | 897,250         |
| Commscope Holdings Inc.                             | 6.625            | 06/01/20    | 500,000             | 500,995    | 512,500         |
| Consolidated Energy Finance<br>S.A.                 | 6.750            | 10/15/19    | 947,000             | 937,538    | 954,102         |
| Cornerstone Chemical Company                        | 9.375            | 03/15/18    | 750,000             | 763,274    | 776,250         |
| Coveris Holdings S.A.                               | 7.875            | 11/01/19    | 1,000,000           | 1,000,000  | 1,022,500       |
| CTP Transportation Products,<br>LLC                 | 8.250            | 12/15/19    | 635,000             | 635,000    | 654,050         |
| Dean Foods  | 6.500            | 03/15/23    | 663,000             | 663,000    | 666,315         |
| Endo Finance LLC                                    | 5.375            | 01/31/23    | 1,000,000           | 981,204    | 997,500         |
| Family Tree Escrow, LLC                             | 5.750            | 03/01/23    | 315,000             | 315,000    | 331,537         |
| Forest Laboratories, Inc.                           | 4.875            | 02/15/21    | 1,000,000           | 1,000,000  | 1,102,455       |
| Forest Laboratories, Inc.                           | 5.000            | 12/15/21    | 775,000             | 775,000    | 861,764         |
| Harron Communications, L.P.                         | 9.125            | 04/01/20    | 500,000             | 542,913    | 547,500         |
| HD Supply, Inc.                                     | 5.250            | 12/15/21    | 265,000             | 265,000    | 272,950         |
| Hilcorp Energy Company                              | 5.000            | 12/01/24    | 500,000             | 500,000    | 470,000         |
| H.J. Heinz Company                                  | 4.875            | 02/15/25    | 1,000,000           | 1,000,000  | 1,083,750       |
| Hovnanian Enterprises, Inc.                         | 7.250            | 10/15/20    | 1,000,000           | 1,000,000  | 1,050,000       |
| Hub International Ltd.                              | 7.875            | 10/01/21    | 1,000,000           | 1,000,000  | 1,025,000       |
| Huntington Ingalls Industries                       | 5.000            | 12/15/21    | 1,000,000           | 1,000,000  | 1,042,500       |
| INEOS Group Holdings PLC                            | 5.875            | 02/01/19    | 485,000             | 485,000    | 479,544         |
| International Automotive<br>Component               | 9.125            | 06/01/18    | 1,000,000           | 966,847    | 1,016,250       |
| International Wire Group                            | 8.500            | 10/15/17    | 500,000             | 525,000    | 517,500         |
| J.B. Poindexter Co., Inc.                           | 9.000            | 04/01/22    | 1,000,000           | 1,045,483  | 1,085,000       |
| JBS USA Holdings, Inc.                              | 7.750            | 10/28/20    | 750,000             | 785,145    | 793,125         |
| Jupiter Resources Inc.                              | 8.500            | 10/01/22    | 1,000,000           | 951,063    | 820,000         |



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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities:<br>(A) (Continued) | Interest<br>Rate | Due<br>Date | Principal<br>Amount | Cost         | Market<br>Value |
|---|------------------|-------------|---------------------|--------------|-----------------|
| Jurassic Holdings III Inc                           | 6.875            | % 02/15/21  | \$ 1,000,000        | \$ 1,008,447 | \$ 870,000      |
| KeHE Distributors, LLC                              | 7.625            | 08/15/21    | 1,000,000           | 1,060,112    | 1,061,250       |
| Kenan Advantage Group, Inc.                         | 8.375            | 12/15/18    | 1,000,000           | 1,030,605    | 1,040,000       |
| Kindred Escrow Corp. II                             | 8.750            | 01/15/23    | 1,000,000           | 1,000,000    | 1,095,000       |
| LBC Tank Terminals Holding<br>Netherlands B.V.      | 6.875            | 05/15/23    | 1,315,000           | 1,352,326    | 1,344,588       |
| Mallinckrodt PLC                                    | 5.750            | 08/01/22    | 1,000,000           | 1,000,000    | 1,032,500       |
| MEG Energy Corporation                              | 7.000            | 03/31/24    | 1,000,000           | 1,000,000    | 942,500         |
| Memorial Production Partners<br>L.P                 | 6.875            | 08/01/22    | 1,000,000           | 985,219      | 885,000         |
| Micron Technology, Inc.                             | 5.250            | 08/01/23    | 1,000,000           | 1,000,000    | 1,017,500       |
| Milacron Financial                                  | 7.750            | 02/15/21    | 500,000             | 500,000      | 517,500         |
| Moog Inc.   | 5.250            | 12/01/22    | 511,000             | 511,000      | 526,330         |
| Murray Energy Corporation                           | 9.500            | 12/05/20    | 1,000,000           | 1,092,276    | 1,120,000       |
| Mustang Merger Corporation                          | 8.500            | 08/15/21    | 1,000,000           | 997,821      | 1,012,500       |
| Netflix, Inc.                                       | 5.500            | 02/15/22    | 605,000             | 605,000      | 618,613         |
| NXP BV/NXP Funding LLC                              | 3.750            | 06/01/18    | 1,500,000           | 1,500,000    | 1,530,000       |
| Onex Corporation                                    | 8.500            | 10/01/22    | 352,000             | 352,000      | 332,640         |
| OpenText Corporation                                | 5.625            | 01/15/23    | 776,000             | 776,000      | 805,100         |
| Paperworks Industries, Inc.                         | 9.500            | 08/15/19    | 1,000,000           | 1,021,284    | 1,025,000       |
| Paragon Offshore plc.                               | 6.750            | 07/15/22    | 1,000,000           | 322,909      | 330,000         |
| Pinnacle Operating Corporation                      | 9.000            | 11/15/20    | 1,000,000           | 1,039,933    | 1,010,000       |
| Prestige Brands Holdings, Inc.                      | 5.375            | 12/15/21    | 1,350,000           | 1,350,000    | 1,366,875       |
| Rite Aid Corporation                                | 6.125            | 04/01/23    | 744,000             | 744,000      | 762,600         |
| Roofing Supply                                      | 10.000           | 06/01/20    | 754,000             | 836,424      | 737,035         |
| Safway Group Holding<br>LLC/Finance Corporation     | 7.000            | 05/15/18    | 500,000             | 500,000      | 495,000         |
| Sirius XM Radio Inc.                                | 5.875            | 10/01/20    | 750,000             | 750,000      | 781,875         |
| Sirius XM Radio Inc.                                | 5.375            | 04/15/25    | 250,000             | 250,000      | 251,250         |
| Sunoco LP   | 6.375            | 04/01/23    | 1,000,000           | 1,000,000    | 1,030,000       |
| Surgical Care Affiliates, Inc.                      | 6.000            | 04/01/23    | 918,000             | 918,000      | 924,885         |
| Teine Energy Ltd.                                   | 6.875            | 09/30/22    | 900,000             | 893,173      | 819,000         |
| Topaz Marine S.A.                                   | 8.625            | 11/01/18    | 1,000,000           | 1,000,000    | 880,040         |
| Townsquare Radio, LLC                               | 9.000            | 04/01/19    | 1,000,000           | 1,069,776    | 1,065,860       |
| Unitymedia KabelBW GmbH                             | 6.125            | 01/15/25    | 1,000,000           | 1,000,000    | 1,057,500       |
| Univision Communications, Inc.                      | 5.125            | 05/15/23    | 325,000             | 325,000      | 329,875         |
| UPCB Finance IV Limited                             | 5.375            | 01/15/25    | 425,000             | 425,000      | 425,000         |
| Valeant Pharmaceuticals<br>International            | 7.000            | 10/01/20    | 880,000             | 881,285      | 918,500         |
| VRX Escrow Corp.                                    | 6.125            | 04/15/25    | 782,000             | 782,000      | 809,370         |



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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Due Date   | Shares or Principal Amount | Cost           | Market Value   |
|--|---------------|------------|----------------------------|----------------|----------------|
| Watco Companies, L.L.C.                          | 6.375         | % 04/01/23 | \$ 1,000,000               | \$ 1,000,000   | \$ 1,000,000   |
| Welltec A/S                                      | 8.000         | 02/01/19   | 750,000                    | 740,360        | 705,000        |
| West Corporation                                 | 5.375         | 07/15/22   | 1,000,000                  | 981,363        | 977,500        |
| Woodside Homes Company, LLC                      | 6.750         | 12/15/21   | 1,000,000                  | 1,002,242      | 957,500        |
| XPO Logistics, Inc.                              | 7.875         | 09/01/19   | 933,000                    | 958,985        | 987,814        |
| Total Bonds                                      |               |            |                            | 60,659,294     | 60,852,145     |
| Convertible Preferred Stock - 0.00%              |               |            |                            |                |                |
| ETEX Corporation (B)                             |               |            | 777                        | —              | —              |
| Total Convertible Preferred Stock                |               |            |                            | —              | —              |
| Preferred Stock - 0.05%                          |               |            |                            |                |                |
| Ally Financial, Inc.                             |               |            | 143                        | \$ 45,009      | \$ 146,061     |
| TherOX, Inc. (B)                                 |               |            | 103                        | —              | —              |
| Total Preferred Stock                            |               |            |                            | 45,009         | 146,061        |
| Common Stock - 0.00%                             |               |            |                            |                |                |
| Touchstone Health Partnership (B)                |               |            | 1,168                      | —              | —              |
| Total Common Stock                               |               |            |                            | —              | —              |
| Total Rule 144A Securities                       |               |            |                            | 60,704,303     | 60,998,206     |
| Total Corporate Restricted Securities            |               |            |                            | \$ 248,524,264 | \$ 253,354,743 |





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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Public Securities              | Interest | Due        | Principal    |              | Market       |
|--|----------|------------|--------------|--------------|--------------|
| -18.73%: (A)                             | Rate     | Date       | Amount       | Cost         | Value        |
| <b>Bank Loans - 0.73%</b>                |          |            |              |              |              |
| American Energy - Marcellus, LLC         | 8.500    | % 07/09/21 | \$ 209,882   | \$ 207,020   | \$ 154,089   |
| Aquilex Holdings LLC                     | 5.000    | 12/31/20   | 294,197      | 293,587      | 290,520      |
| Caelus Energy Alaska, LLC                | 8.750    | 04/15/20   | 1,000,000    | 991,212      | 791,670      |
| Synarc-BioCore Holdings, LLC             | 9.250    | 03/04/22   | 1,000,000    | 991,283      | 910,000      |
| Total Bank Loans                         |          |            |              | 2,483,102    | 2,146,279    |
| <b>Bonds - 17.64%</b>                    |          |            |              |              |              |
| AAR Corporation                          | 7.250    | % 01/15/22 | \$ 2,000,000 | \$ 2,102,110 | \$ 2,270,000 |
| Accuride Corp                            | 9.500    | 08/01/18   | 1,500,000    | 1,526,235    | 1,563,750    |
| ADT Corporation                          | 6.250    | 10/15/21   | 1,000,000    | 1,032,399    | 1,065,000    |
| Ally Financial, Inc.                     | 5.500    | 02/15/17   | 1,500,000    | 1,514,571    | 1,560,000    |
| Alta Mesa Financial Services             | 9.625    | 10/15/18   | 767,000      | 762,226      | 582,920      |
| American Axle & Manufacturing, Inc.      | 5.125    | 02/15/19   | 240,000      | 240,000      | 247,200      |
| Anixter, Inc.                            | 5.125    | 10/01/21   | 421,000      | 421,000      | 432,577      |
| Antero Resources Corporation             | 5.375    | 11/01/21   | 800,000      | 800,000      | 776,000      |
| Avis Budget Car Rental                   | 9.750    | 03/15/20   | 750,000      | 750,000      | 817,050      |
| Bonanza Creek Energy, Inc.               | 5.750    | 02/01/23   | 1,000,000    | 1,000,000    | 920,000      |
| Calpine Corporation                      | 5.750    | 01/15/25   | 700,000      | 700,000      | 705,250      |
| Calumet Specialty Products Partners L.P. | 7.625    | 01/15/22   | 1,000,000    | 1,004,486    | 1,010,000    |
| CCO Holdings Capital Corporation         | 7.250    | 10/30/17   | 750,000      | 758,880      | 781,875      |
| Chrysler Group, LLC                      | 8.000    | 06/15/19   | 415,000      | 442,780      | 435,230      |
| Chrysler Group, LLC                      | 8.250    | 06/15/21   | 415,000      | 453,026      | 460,280      |
| Cimarex Energy Co.                       | 5.875    | 05/01/22   | 1,000,000    | 1,066,282    | 1,065,000    |
| CIT Group Inc.                           | 3.875    | 02/19/19   | 1,000,000    | 1,000,000    | 990,000      |
| Clearwater Paper Corporation             | 4.500    | 02/01/23   | 750,000      | 743,756      | 738,750      |
| Commercial Metals Company                | 4.875    | 05/15/23   | 1,500,000    | 1,502,672    | 1,417,500    |
| Commercial Vehicle Group Inc.            | 7.875    | 04/15/19   | 989,000      | 1,011,404    | 1,026,087    |
| CVR Refining LLC                         | 6.500    | 11/01/22   | 650,000      | 630,209      | 650,000      |
| Dana Holding Corporation                 | 5.500    | 12/15/24   | 551,000      | 551,000      | 567,530      |
| D.R. Horton, Inc.                        | 4.000    | 02/15/20   | 1,000,000    | 1,000,000    | 1,014,000    |
| Ferrellgas Partners, L.P.                | 6.750    | 01/15/22   | 465,000      | 465,000      | 473,091      |
| First Data Corporation                   | 11.750   | 08/15/21   | 650,000      | 650,000      | 751,562      |
| Forum Energy Technologies                | 6.250    | 10/01/21   | 325,000      | 325,000      | 304,688      |
| HCA Holdings, Inc.                       | 3.750    | 03/15/19   | 1,000,000    | 1,000,000    | 1,013,440    |
| Headwaters, Inc.                         | 7.625    | 04/01/19   | 850,000      | 850,140      | 885,445      |
| HealthSouth Corporation                  | 5.750    | 11/01/24   | 393,000      | 400,754      | 408,720      |

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|                                  |       |          |           |           |           |
|----------------------------------|-------|----------|-----------|-----------|-----------|
| Hilton Worldwide Holdings, LLC   | 5.625 | 10/15/21 | 1,000,000 | 1,000,000 | 1,052,500 |
| Hornbeck Offshore Services, Inc. | 5.000 | 03/01/21 | 500,000   | 500,000   | 397,500   |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Corporate Public Securities: (A)<br>(Continued) | Interest<br>Rate | Due<br>Date | Principal<br>Amount | Cost       | Market<br>Value |
|---|------------------|-------------|---------------------|------------|-----------------|
| Huntington Ingalls Industries                   | 7.125            | % 03/15/21  | \$ 750,000          | \$ 772,028 | \$ 806,250      |
| Icahn Enterprises L.P.                          | 4.875            | 03/15/19    | 970,000             | 970,000    | 988,188         |
| Icahn Enterprises L.P.                          | 6.000            | 08/01/20    | 1,150,000           | 1,169,364  | 1,194,620       |
| Lamar Media Corp.                               | 5.375            | 01/15/24    | 320,000             | 320,000    | 333,600         |
| Lear Corporation                                | 4.750            | 01/15/23    | 750,000             | 736,378    | 753,750         |
| Lennar Corporation                              | 4.500            | 11/15/19    | 250,000             | 250,602    | 256,875         |
| Lennar Corporation                              | 4.750            | 11/15/22    | 750,000             | 740,274    | 763,125         |
| Magnum Hunter Resources, Corp.                  | 9.750            | 05/15/20    | 1,500,000           | 1,559,142  | 1,335,000       |
| MarkWest Energy Partners, L.P.                  | 4.875            | 12/01/24    | 1,000,000           | 1,000,000  | 1,022,400       |
| Meritor, Inc.                                   | 6.750            | 06/15/21    | 1,000,000           | 1,000,000  | 1,035,000       |
| Meritor, Inc.                                   | 7.875            | 03/01/26    | 669,000             | 663,403    | 999,737         |
| Nielsen Finance LLC                             | 4.500            | 10/01/20    | 1,000,000           | 1,000,000  | 1,017,500       |
| NRG Energy, Inc.                                | 6.250            | 07/15/22    | 1,000,000           | 1,000,000  | 1,027,500       |
| Oasis Petroleum Inc.                            | 6.875            | 03/15/22    | 1,000,000           | 1,000,000  | 975,000         |
| Omnova Solutions, Inc.                          | 7.875            | 11/01/18    | 1,200,000           | 1,214,840  | 1,218,000       |
| Perry Ellis International, Inc.                 | 7.875            | 04/01/19    | 750,000             | 745,029    | 774,375         |
| Ply Gem Industries, Inc.                        | 6.500            | 02/01/22    | 1,000,000           | 935,956    | 950,000         |
| Precision Drilling Corporation                  | 6.625            | 11/15/20    | 750,000             | 767,054    | 706,875         |
| Regency Energy Partners LP                      | 5.875            | 03/01/22    | 835,000             | 822,759    | 905,975         |
| Rosetta Resources Inc.                          | 5.875            | 06/01/22    | 1,000,000           | 1,000,000  | 942,500         |
| Select Medical Corporation                      | 6.375            | 06/01/21    | 650,000             | 658,563    | 643,094         |
| Sprint Corporation                              | 7.125            | 06/15/24    | 315,000             | 315,000    | 307,125         |
| Stone Energy Corporation                        | 7.500            | 11/15/22    | 1,000,000           | 1,026,592  | 905,000         |
| Suburban Propane Partners, L.P.                 | 5.750            | 03/01/25    | 1,000,000           | 1,000,000  | 1,020,000       |
| T-Mobile USA Inc.                               | 6.375            | 03/01/25    | 1,000,000           | 1,000,000  | 1,031,900       |
| Tronox Finance LLC                              | 6.375            | 08/15/20    | 750,000             | 735,449    | 733,125         |
| William Lyon Homes                              | 7.000            | 08/15/22    | 1,000,000           | 1,000,000  | 1,031,250       |
| WPX Energy, Inc.                                | 5.250            | 09/15/24    | 925,000             | 925,000    | 813,538         |
| Xerium Technologies, Inc.                       | 8.875            | 06/15/18    | 831,000             | 861,059    | 858,008         |
| Total Bonds                                     |                  |             |                     | 51,392,422 | 51,732,255      |

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

|                                   |          |            |                  |                | Market         |
|-----------------------------------|----------|------------|------------------|----------------|----------------|
| Corporate Public Securities:      |          |            | Shares           | Cost           | Value          |
| (A) (Continued)                   |          |            |                  |                |                |
| Common Stock - 0.36%              |          |            |                  |                |                |
| Chase Packaging Corporation       |          |            | 9,541            | \$ —           | \$ 668         |
| Nortek, Inc.                      |          |            | 175              | 1              | 15,444         |
| Supreme Industries, Inc. (B)      |          |            | 131,371          | 267,319        | 1,019,439      |
| Total Common Stock                |          |            |                  | 267,320        | 1,035,551      |
| Total Corporate Public Securities |          |            |                  | \$ 54,142,844  | \$ 54,914,085  |
| Short-Term Securities:            |          |            | Principal Amount | Cost           | Market Value   |
| Interest Rate/Yield^              | Due Date |            |                  |                |                |
| Commercial Paper - 1.19%          |          |            |                  |                |                |
| National Fuel Gas Co. (NJ)        | 0.550    | % 04/06/15 | 3,500,000        | \$ 3,499,733   | \$ 3,499,733   |
| Total Short-Term Securities       |          |            |                  | \$ 3,499,733   | \$ 3,499,733   |
| Total Investments                 | 106.31   | %          |                  | \$ 306,166,841 | \$ 311,768,561 |
| Other Assets                      | 5.88     |            |                  |                | 17,248,835     |
| Liabilities                       | (12.19   | )          |                  |                | (35,761,960)   |
| Total Net Assets                  | 100.00   | %          |                  |                | \$ 293,255,436 |

(A) In each of the convertible note, warrant, convertible preferred and common stock investments, the issuer has agreed to provide certain registration rights.

(B) Non-income producing security.

(C) Security valued at fair value using methods determined in good faith by or under the direction of the Board of Trustees.

(D) Defaulted security; interest not accrued.

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- (E) Illiquid securities. As of March 31, 2015, the value of these securities amounted to \$192,356,537, or 65.59% of net assets.
- (F) Security valued at fair value using methods determined in good faith by or under the direction of the Board of Trustees.

^ Effective yield at purchase  
PIK - Payment-in-kind

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Industry Classification:                     | Fair Value/<br>Market Value |  | Fair Value/<br>Market Value |
|--|-----------------------------|--|-----------------------------|
| <b>AEROSPACE - 2.89%</b>                     |                             | <b>BROADCASTING &amp; ENTERTAINMENT - 1.76%</b>    |                             |
| AAR Corporation                              | \$ 2,270,000                | HOP Entertainment LLC                              | \$ —                        |
| Alliant Techsystems Inc.                     | 1,015,000                   | Lamar Media Corp.                                  | 333,600                     |
| Merex Holding Corporation                    | 1,866,422                   | Money Mailer                                       | 2,704,364                   |
| Moog Inc.                                    | 526,330                     | Sundance Investco LLC                              | —                           |
| Whitcraft Holdings, Inc.                     | 2,785,855                   | Townsquare Radio, LLC                              | 1,065,860                   |
|  | 8,463,607                   | Unitymedia KabelBW GmbH                            | 1,057,500                   |
| <b>AUTOMOBILE - 7.76%</b>                    |                             |  | 5,161,324                   |
|  |                             | <b>BUILDINGS &amp; REAL<br/>ESTATE - 4.44%</b>     |                             |
| Accuride Corp                                | 1,563,750                   | ACP Cascade Holdings LLC                           | —                           |
| American Axle &<br>Manufacturing, Inc.       | 247,200                     | D.R. Horton, Inc.                                  | 1,014,000                   |
| Avis Budget Car Rental                       | 817,050                     |  |                             |
| CG Holdings Manufacturing<br>Company         | 4,125,908                   | Hovnanian Enterprises, Inc.                        | 1,050,000                   |
| Chrysler Group, LLC                          | 895,510                     | Lennar Corporation                                 | 1,020,000                   |
| Commercial Vehicle Group Inc.                | 1,026,087                   | Pearlman Enterprises, Inc.                         | 3,017,655                   |
|  |                             | Safway Group Holding<br>LLC/Finance Corporation    | 495,000                     |
| Dana Holding Corporation                     | 567,530                     | Sunrise Windows Holding<br>Company                 | 3,693,710                   |
| DPL Holding Corporation                      | 4,345,941                   | TruStile Doors, Inc.                               | 747,527                     |
| Grakon Parent                                | 3,546,377                   | William Lyon Homes                                 | 1,031,250                   |
| Ideal Tridon Holdings, Inc.                  | 562,601                     | Woodside Homes Company,<br>LLC                     | 957,500                     |
| International Automotive<br>Component        | 1,016,250                   |  | 13,026,642                  |
| J A C Holding Enterprises, Inc.              | 781,484                     | <b>CHEMICAL, PLASTICS &amp;<br/>RUBBER - 3.15%</b> |                             |
| K & N Parent, Inc.                           | 477,422                     | Compass Chemical<br>International LLC              | 3,498,843                   |
| Lear Corporation                             | 753,750                     | Cornerstone Chemical<br>Company                    | 776,250                     |
| Meritor, Inc.                                | 2,034,737                   | INEOS Group Holdings PLC                           | 479,544                     |
|  | 22,761,597                  |  |                             |
| <b>BEVERAGE, DRUG &amp; FOOD -<br/>6.90%</b> |                             |  |                             |
| 1492 Acquisition LLC                         | 1,813,287                   | Omnova Solutions, Inc.                             | 1,218,000                   |
| Dean Foods                                   | 666,315                     | Polytex Holdings LLC                               | 2,540,181                   |
| Eatem Holding Company                        | 937,678                     | Tronox Finance LLC                                 | 733,125                     |
|  |                             |  | 9,245,943                   |
|  |                             | <b>CONSUMER PRODUCTS -<br/>12.16%</b>              |                             |
| F F C Holding Corporation                    | 644,810                     | AMS Holding LLC                                    | 826,455                     |
| GenNx Novel Holding, Inc.                    | 3,435,149                   |  |                             |
| Golden County Foods Holding,<br>Inc.         | —                           | Animal Supply Company                              | 3,447,033                   |

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|                                   |            |                                     |           |
|-----------------------------------|------------|-------------------------------------|-----------|
| H.J. Heinz Company                | 1,083,750  | Bravo Sports Holding Corporation    | 2,281,593 |
| Hospitality Mints Holding Company | 2,266,911  | Clearwater Paper Corporation        | 738,750   |
| Impact Confections                | 2,516,434  | Custom Engineered Wheels, Inc.      | 589,784   |
| JBS USA Holdings, Inc.            | 793,125    | gloProfessional Holdings, Inc.      | 3,242,508 |
| JMH Investors LLC                 | 2,648,098  | GTI Holding Company                 | 1,713,645 |
| KeHE Distributors, LLC            | 1,061,250  | Handi Quilter Holding Company       | 3,555,210 |
| Pinnacle Operating Corporation    | 1,010,000  | HHI Group, LLC                      | 3,285,565 |
| Spartan Foods Holding Company     | 1,349,385  | K N B Holdings Corporation          | 174,962   |
|                                   | 20,226,192 | Manhattan Beachwear Holding Company | 2,507,387 |

See Notes to Consolidated Financial Statements



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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Industry Classification:<br>(Continued)     | Fair Value/<br>Market Value |   | Fair Value/<br>Market Value |
|---|-----------------------------|---|-----------------------------|
| Micron Technology, Inc.                     | \$ 1,017,500                | Nortek, Inc.                              | \$ 15,444                   |
| NXP BV/NXP Funding LLC                      | 1,530,000                   | O E C Holding Corporation                 | 1,538,691                   |
| Perry Ellis International, Inc.             | 774,375                     | Ply Gem Industries, Inc.                  | 950,000                     |
| Prestige Brands Holdings,<br>Inc.           | 1,366,875                   | Strahman Holdings Inc                     | 2,507,760                   |
| R A J Manufacturing<br>Holdings LLC         | 801,292                     | Truck Bodies & Equipment<br>International | 1,554,617<br>29,105,254     |
| Tranzonic Holdings LLC                      | 3,445,743                   | DIVERSIFIED/CONGLOMERATE, SERVICE - 8.78% |                             |
| Xerium Technologies, Inc.                   | 858,008                     | A S C Group, Inc.                         | 2,867,448                   |
| York Wall Holding Company                   | 3,504,315                   | A W X Holdings Corporation                | 367,500                     |
|   | 35,661,000                  |   |                             |
| CONTAINERS,<br>PACKAGING & GLASS -<br>1.66% |                             | ADT Corporation                           | 1,065,000                   |
| Beverage Packaging<br>Holdings              | 731,825                     | Advanced Technologies<br>Holdings         | 1,033,525                   |
| Coveris Holdings S.A.                       | 1,022,500                   | AFC - Dell Holding<br>Corporation         | 2,612,643                   |
| Chase Packaging Corporation                 | 668                         | Church Services Holding<br>Company        | 1,651,579                   |
| Paperworks Industries, Inc.                 | 1,025,000                   | Clough, Harbour and<br>Associates         | 729,198                     |
| SMB Machinery Holdings,<br>Inc.             | 1,466,488                   | Crane Rental Corporation                  | 1,692,854                   |
| Vitex Packaging Group, Inc.                 | 626,705                     | EPM Holding Company                       | 1,377,286                   |
|   | 4,873,186                   | Hilton Worldwide Holdings,<br>LLC         | 1,052,500                   |
| DISTRIBUTION - 3.97%                        |                             | Hub International Ltd.                    | 1,025,000                   |
| ARI Holding Corporation                     | 4,449,201                   | HVAC Holdings, Inc.                       | 3,300,265                   |
| Blue Wave Products, Inc.                    | 1,783,507                   | Insurance Claims<br>Management, Inc.      | 462,168                     |
| BP SCI LLC                                  | 1,155,655                   | Mail Communications<br>Group, Inc.        | 585,776                     |
| HD Supply, Inc.                             | 272,950                     | Northwest Mailing Services,<br>Inc.       | 601,211                     |
| Signature Systems Holdings<br>Company       | 677,794                     | Onex Corporation                          | 332,640                     |
| WP Supply Holding<br>Corporation            | 3,292,817                   | PPC Event Services                        | 2,663,849                   |
|   | 11,631,924                  | Roofing Supply                            | 737,035<br>545,468          |

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|  |           |                                     |            |
|--|-----------|-------------------------------------|------------|
| DIVERSIFIED/CONGLOMERATE,<br>MANUFACTURING - 9.92% |           | Safety Infrastructure<br>Solutions  |            |
| Advanced Manufacturing<br>Enterprises LLC          | 3,232,667 | Sirius XM Radio Inc.                | 1,033,125  |
| Amsted Industries                                  | 520,000   |                                     | 25,736,070 |
| Arrow Tru-Line Holdings,<br>Inc.                   | 352,217   | ELECTRONICS - 1.04%                 |            |
| Brunswick Corporation                              | 403,000   | Anixter, Inc.                       | 432,577    |
| CTP Transportation Products,<br>LLC                | 654,050   | Belden Inc.                         | 413,075    |
| Dunn Paper   | 3,499,258 | Connecticut Electric, Inc.          | 1,698,750  |
| F G I Equity LLC                                   | 1,500,189 | International Wire Group            | 517,500    |
| G C Holdings                                       | 402,384   |                                     | 3,061,902  |
| Hartland Controls Holding<br>Corporation           | 3,142,661 | FINANCIAL SERVICES -<br>3.80%       |            |
| Hi-Rel Group LLC                                   | 2,198,768 | Ally Financial, Inc.                | 1,706,061  |
| Janus Group Holdings LLC                           | 3,685,376 | Alta Mesa Financial Services        | 582,920    |
| J.B. Poindexter Co., Inc.                          | 1,085,000 | Ashtead Group plc                   | 410,025    |
| K P I Holdings, Inc.                               | 850,672   | CIT Group Inc.                      | 990,000    |
| Mustang Merger Corporation                         | 1,012,500 | Consolidated Energy Finance<br>S.A. | 954,102    |

See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2015  
 (Unaudited)

| Industry Classification: (Continued)                                      | Fair Value/<br>Market Value |  | Fair Value<br>Market<br>Value |
|---|-----------------------------|--|-------------------------------|
| Harron Communications, L.P.   | \$ 547,500                  | M V I Holding, Inc.  | \$ —                          |
| Icahn Enterprises L.P.  | 2,182,808                   | NetShape Technologies, Inc.                                | 2,466,702                     |
| Jurassic Holdings III Inc   | 870,000                     | Supreme Industries, Inc.                                   | 1,019,439                     |
| LBC Tank Terminals Holding Netherlands B.V.                               | 1,344,588                   | Welltec A/S  | 705,000                       |
| Nielsen Finance LLC   | 1,017,500                   |  | 12,934,414                    |
|   |                             | MEDICAL<br>DEVICES/BIOTECH -                               |                               |
| REVSpring, Inc.   | 538,147                     | 0.50%  |                               |
| HEALTHCARE, EDUCATION & CHILDCARE - 7.29%                                 | 11,143,651                  | ETEX Corporation   | —                             |
| Acadia HealthCare Company Inc.  | 651,200                     | Mallinckrodt PLC   | 1,032,500                     |
| American Hospice Management Holding LLC                                   | 2,492,493                   | MedSystems Holdings LLC                                    | 435,270                       |
| CHG Alternative Education Holding Company                                 | 3,166,736                   | MicroGroup, Inc.   | 1,541                         |
| ECG Consulting Group  | 2,797,821                   | TherOX, Inc.   | —                             |
|   |                             |  | 1,469,311                     |
|   |                             | MINING, STEEL,<br>IRON &<br>NON-PRECIOUS<br>METALS - 0.86% |                               |
| ERG Holding Company LLC   | 2,076,450                   | Commercial Metals Company                                  | 1,417,500                     |
| GD Dental Services LLC  | 284,169                     | Murray Energy Corporation                                  | 1,120,000                     |
| Healthcare Direct Holding Company   | 226,079                     |  | 2,537,500                     |
| HealthSouth Corporation   | 408,720                     | NATURAL<br>RESOURCES - 0.57%                               |                               |
| HCA Holdings, Inc.  | 1,013,440                   | Caelus Energy Alaska, LLC                                  | 791,670                       |
| Kindred Escrow Corp. II   | 1,095,000                   | Headwaters, Inc.   | 885,445                       |
| Select Medical Corporation  | 643,094                     |  | 1,677,115                     |
| Surgical Care Affiliates, Inc.  | 924,885                     | OIL & GAS - 9.45%  |                               |
| Synarc-BioCore Holdings, LLC  | 910,000                     | American Energy - Marcellus, LLC                           | 154,089                       |
| Syneract Holdings Corporation   | 4,107,609                   | Antero Resources Corporation                               | 776,000                       |
| Touchstone Health Partnership   | —                           | Avantech Testing Services LLC                              | 1,567,221                     |
| Wheaton Holding Corporation   | 578,004                     | Bonanza Creek Energy, Inc.                                 | 920,000                       |
|   | 21,375,700                  | California Resources                                       | 851,175                       |
| HOME & OFFICE FURNISHINGS, HOUSEWARES & DURABLE CONSUMER PRODUCTS - 1.21% |                             |  |                               |

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|  |           |   |           |
|--|-----------|---|-----------|
|  |           | Corporation                                 |           |
| Airxcel Holdings                           | 3,562,090 | Calumet Specialty<br>Products Partners L.P. | 1,010,000 |
| Transpac Holding Company                   | —         | Cimarex Energy Co.<br>CITGO Petroleum       | 1,065,000 |
| Wellborn Forest Holding Company            | —         | Corporation                                 | 897,250   |
|  | 3,562,090 | CVR Refining LLC                            | 650,000   |
| LEISURE, AMUSEMENT & ENTERTAINMENT - 1.10% |           | Forum Energy<br>Technologies                | 304,688   |
| CTM Holding, Inc.                          | 3,213,001 | Hilcorp Energy<br>Company                   | 470,000   |
|  |           | Hornbeck Offshore<br>Services, Inc.         | 397,500   |
| MACHINERY - 4.41%                          |           | Jupiter Resources Inc.                      | 820,000   |
| ABC Industries, Inc.                       | 1,193,390 | Magnum Hunter<br>Resources, Corp.           | 1,335,000 |
| Arch Global Precision LLC                  | 3,177,039 | MarkWest Energy<br>Partners, L.P.           | 1,022,400 |
| E S P Holdco, Inc.                         | 658,798   | MEG Energy<br>Corporation                   | 942,500   |
| Milacron Financial                         | 517,500   | Memorial Production<br>Partners L.P.        | 885,000   |
| Motion Controls Holdings                   | 3,196,546 |   |           |

See Notes to Consolidated Financial Statements

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2015

(Unaudited)

| Industry Classification: (Continued)  | Fair Value/<br>Market Value |                                  | Fair Value<br>Market Value |
|---------------------------------------|-----------------------------|----------------------------------|----------------------------|
| National Fuel Gas Co. (NJ)            | \$ 3,499,733                | TELECOMMUNICATIONS - 1.84%       |                            |
| Oasis Petroleum Inc.                  | 975,000                     | Altice S.A.                      | \$ 1,016,875               |
| Paragon Offshore plc.                 | 330,000                     | CCO Holdings Capital Corporation | 781,875                    |
| Petroplex Inv Holdings LLC            | 449,735                     | Commscope Holdings Inc.          | 512,500                    |
| Precision Drilling Corporation        | 706,875                     | Sprint Corporation               | 307,125                    |
| Regency Energy Partners LP            | 905,975                     | T-Mobile USA Inc.                | 1,031,900                  |
| Rosetta Resources Inc.                | 942,500                     | Univision Communications, Inc.   | 329,875                    |
| Stone Energy Corporation              | 905,000                     | UPCB Finance IV Limited          | 425,000                    |
| Sunoco LP                             | 1,030,000                   | West Corporation                 | 977,500                    |
| Teine Energy Ltd.                     | 819,000                     |                                  | 5,382,650                  |
| Tristar Global Energy Solutions, Inc. | 2,255,579                   | TRANSPORTATION - 3.76%           |                            |
| WPX Energy, Inc.                      | 813,538                     | Huntington Ingalls Industries    | 1,848,750                  |
|                                       | 27,700,758                  | Kenan Advantage Group, Inc.      | 1,040,000                  |
| PHARMACEUTICALS - 2.77%               |                             | MNX Holding Company              | 2,976,615                  |
| Clarion Brands Holding Corp.          | 3,447,608                   | NABCO, Inc.                      | 399,748                    |
| Endo Finance LLC                      | 997,500                     | Topaz Marine S.A.                | 880,040                    |
| Forest Laboratories, Inc.             | 1,964,219                   | VP Holding Company               | 1,887,705                  |
| Valeant Pharmaceuticals International | 918,500                     | Watco Companies, L.L.C.          | 1,000,000                  |
| VRX Escrow Corp.                      | 809,370                     | XPO Logistics, Inc.              | 987,814                    |
|                                       | 8,137,197                   |                                  | 11,020,672                 |
| RETAIL STORES - 0.88%                 |                             | UTILITIES - 0.59%                |                            |
| Family Tree Escrow, LLC               | 331,537                     | Calpine Corporation              | 705,250                    |
| Ferrellgas Partners, L.P.             | 473,091                     | NRG Energy, Inc.                 | 1,027,500                  |
| Rite Aid Corporation                  | 762,600                     |                                  | 1,732,750                  |
|                                       |                             | WASTE                            |                            |
|                                       |                             | MANAGEMENT/POLLUTION -           |                            |
| Suburban Propane Partners, L.P.       | 1,020,000                   | 1.67%                            |                            |
|                                       | 2,587,228                   | Aquilex Holdings LLC             | 290,520                    |
| TECHNOLOGY - 1.18%                    |                             | MES Partners, Inc.               | 2,660,472                  |
| Audatex North America, Inc.           | 462,128                     | Torrent Group Holdings, Inc.     | 1,932,686                  |
| First Data Corporation                | 751,562                     |                                  | 4,883,678                  |
| Netflix, Inc.                         | 618,613                     |                                  |                            |
| OpenText Corporation                  | 805,100                     | Total Investments - 106.31%      | \$ 311,768,561             |
| Smart Source Holdings LLC             | 818,802                     |                                  |                            |
|                                       | 3,456,205                   |                                  |                            |

See Notes to Consolidated Financial Statements



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)

1. History

Babson Capital Corporate Investors (the “Trust”) commenced operations in 1971 as a Delaware corporation. Pursuant to an Agreement and Plan of Reorganization dated November 14, 1985, approved by shareholders, the Trust was reorganized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts, effective November 28, 1985.

The Trust is a diversified closed-end management investment company. Babson Capital Management LLC (“Babson Capital”), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”), acts as its investment adviser. The Trust’s investment objective is to maintain a portfolio of securities providing a fixed yield and at the same time offering an opportunity for capital gains. The Trust’s principal investments are privately placed, below-investment grade, long-term debt obligations. Such direct placement securities may, in some cases, be accompanied by equity features such as common stock, warrants, conversion rights, or other equity features and, occasionally, preferred stocks. The Trust typically purchases these investments, which are not publicly tradable, directly from their issuers in private placement transactions. These investments are typically mezzanine debt instruments with accompanying private equity securities made to small or middle market companies. In addition, the Trust may invest, subject to certain limitations, in marketable investment grade debt securities (including high yield securities), other marketable debt and marketable common stocks. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay capital.

On January 27, 1998, the Board of Trustees authorized the formation of a wholly-owned subsidiary of the Trust (“CI Subsidiary Trust”) for the purpose of holding certain investments. The results of CI Subsidiary Trust are consolidated in the accompanying financial statements. Footnote 2.D below discusses the Federal tax consequences of the CI Subsidiary Trust.

Determination of Fair Value

The determination of the fair value of the Trust’s investments is the responsibility of the Trust’s Board of Trustees (the “Trustees”). The Trustees have adopted procedures for the valuation of the Trust’s securities and has delegated responsibility for applying those procedures to Babson Capital. Babson Capital has established a Pricing Committee which is responsible for setting the guidelines used in following the procedures adopted by the Trustees and ensuring that those guidelines are being followed. Babson Capital considers all relevant factors that are reasonably available, through either public information or information directly available to Babson Capital, when determining the fair value of a security. The Trustees meet at least once each quarter to approve the value of the Trust’s portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital. In approving valuations, the Trustees will consider reports by Babson Capital analyzing each portfolio security in accordance with the procedures and guidelines referred to above, which include the relevant factors referred to below. Babson Capital has agreed to provide such reports to the Trust at least quarterly. The consolidated financial statements include private placement restricted securities valued at \$192,356,537 (65.59% of net assets) as of March 31, 2015 whose values have been estimated by the Trustees based on the process described above in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Following is a description of valuation methodologies used for assets recorded at fair value.

Corporate Public Securities – Corporate Bonds, Preferred Stocks and Common Stocks

The Trust uses external independent third-party pricing services to determine the fair values of its Corporate Public Securities. At March 31, 2015, 100% of the carrying value of these investments was from external

## 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Trustees have determined that the Trust is an investment company in accordance with Accounting Standards Codification ("ASC") 946, Financial Services - Investment Companies, for the purpose of financial reporting.

### A. Fair Value Measurements:

Under U.S. GAAP, fair value represents the price that should be received to sell an asset (exit price) in an orderly transaction between willing market participants at the measurement date.

pricing services. In the event that the primary pricing service does not provide a price, the Trust utilizes the pricing provided by a secondary pricing service.

Public debt securities generally trade in the over-the-counter market rather than on a securities exchange. The Trust's pricing services use multiple valuation techniques to determine fair value. In instances where significant market activity exists, the pricing services may utilize a market based approach through which quotes from market makers are used to determine fair value. In instances where significant market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, option adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal underlying prepayments, collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.



Babson Capital Corporate Investors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

The Trust's investments in bank loans are normally valued at the bid quotation obtained from dealers in loans by an independent pricing service in accordance with the Trust's valuation policies and procedures approved by the Trustees.

Public equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sales price of that day.

Annually, Babson Capital conducts reviews of the primary pricing vendors to validate that the inputs used in that vendors' pricing process are deemed to be market observable as defined in the standard. While Babson Capital is not provided access to proprietary models of the vendors, the reviews have included on-site walk-throughs of the pricing process, methodologies and control procedures for each asset class and level for which prices are provided. The review also includes an examination of the underlying inputs and assumptions for a sample of individual securities across asset classes, credit rating levels and various durations, a process Babson Capital continues to perform annually. In addition, the pricing vendors have an established challenge process in place for all security valuations, which facilitates identification and resolution of prices that fall outside expected ranges. Babson Capital believes that the prices received from the pricing vendors are representative of prices that would be received to sell the assets at the measurement date (exit prices) and are classified appropriately in the hierarchy.

Corporate Restricted Securities – Corporate Bonds

The fair value of certain notes is determined using an internal model that discounts the anticipated cash flows of those notes using a specific discount rate. Changes to that discount rate are driven by changes in general interest rates, probabilities of default and credit adjustments. The discount rate used within the models to discount the future anticipated cash flows is considered a significant unobservable input. Significant increases/(decreases) in the discount rate would result in a significant (decrease)/increase to the notes' fair value.

To estimate a company's enterprise value, the company's trailing twelve months earnings before interest, taxes, depreciation and amortization ("EBITDA") is multiplied by a valuation multiple. A discount for lack of marketability is applied to the end result.

Both the company's EBITDA and valuation multiple are considered significant unobservable inputs. Significant increases/ (decreases) to the company's EBITDA and/or valuation multiple would result in significant increases/(decreases) to the equity value. An increase/(decrease) to the discount would result in a (decrease)/increase to the equity value.

Short-Term Securities

Short-term securities, of sufficient credit quality, with more than sixty days to maturity are valued at fair value, using external independent third-party services. Short-term securities having a maturity of sixty days or less are valued at amortized cost, which approximates fair value.

Quantitative Information about Level 3 Fair Value Measurements

The following table represents quantitative information about Level 3 fair value measurements as of March 31, 2015.

| Valuation Technique | Unobservable Inputs | Range | Weighted Average |
|---------------------|---------------------|-------|------------------|
|---------------------|---------------------|-------|------------------|

The fair value of certain distressed notes is based on an enterprise waterfall methodology which is discussed in the equity security valuation section below.

Corporate Restricted Securities – Common Stock, Preferred Stock and Partnerships & LLC’s

The fair value of equity securities is determined using an enterprise waterfall methodology. Under this methodology, the enterprise value of the company is first estimated and that value is then allocated to the company’s outstanding debt and equity securities based on the documented priority of each class of securities in the capital structure. Generally, the waterfall proceeds from senior debt tranches of the capital structure to senior then junior subordinated debt, followed by each class of preferred stock and finally the common stock.

|                   |                       |                                    |                                  |                |
|-------------------|-----------------------|------------------------------------|----------------------------------|----------------|
| Corporate Bonds   | Discounted Cash Flows | Discount Rate                      | 8.0% to 18.7%                    | 12.6%          |
| Equity Securities | Market Approach       | Valuation Multiple                 | 4.6x to 13.0x                    | 7.7x           |
|                   |                       | Discount for lack of marketability | 0% to 24%                        | 3.2%           |
|                   |                       | EBITDA                             | \$0.8 million to \$142.8 million | \$20.1 million |

Fair Values Hierarchy

The Trust categorizes its investments measured at fair value in three levels, based on the inputs and assumptions used to determine fair value. These levels are as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Trust’s own assumptions in determining the fair value of investments)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

The following is a summary of the inputs used to value the Trust's net assets as of March 31, 2015:

| Assets                | Total          | Level 1      | Level 2        | Level 3        |
|-----------------------|----------------|--------------|----------------|----------------|
| Restricted Securities |                |              |                |                |
| Corporate Bonds       | 197,197,867    | —            | 60,852,145     | 136,345,722    |
| Common Stock - U.S.   | 17,234,794     | —            | —              | 17,234,794     |
| Preferred Stock       | 14,623,730     | —            | 146,061        | 14,477,669     |
| Partnerships and LLCs | 24,298,352     | —            | —              | 24,298,352     |
| Public Securities     |                |              |                |                |
| Bank Loans            | 2,146,279      | —            | 2,146,279      | —              |
| Corporate Bonds       | 51,732,255     | —            | 51,732,255     | —              |
| Common Stock - U.S.   | 1,035,551      | 1,035,551    | —              | —              |
| Preferred Stock       | —              | —            | —              | —              |
| Short-term Securities | 3,499,733      | —            | 3,499,733      | —              |
| Total                 | \$ 311,768,561 | \$ 1,035,551 | \$ 118,376,473 | \$ 192,356,537 |

See information disaggregated by security type and industry classification in the Consolidated Schedule of Investments.

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

| Assets                | Beginning                |              | Included in   |                |                | Transfers<br>in<br>and /<br>or<br>out<br>of<br>Level<br>3 | Ending<br>balance at<br>03/31/2015 |
|-----------------------|--------------------------|--------------|---------------|----------------|----------------|---|------------------------------------|
|                       | balance at<br>12/31/2014 | earnings     | Purchases     | Sales          | Prepayments    |   |                                    |
| Restricted Securities |                          |              |               |                |                |   |                                    |
| Corporate Bonds       | \$ 131,162,430           | \$ 5,594,086 | \$ 14,501,524 | \$ (1,465,851) | \$ (8,378,140) | \$ —  | \$ 137,345,722                     |
| Common Stock - U.S.   | 20,112,954               | 893,242      | 370,818       | (4,142,220)    | —              | —   | 17,234,794                         |
| Preferred Stock       | 12,766,592               | 1,905,353    | (42,984 )     | (151,292 )     | —              | —   | 14,477,669                         |
| Partnerships and LLCs | 22,013,933               | 2,008,663    | 701,086       | (425,330 )     | —              | —   | 24,298,352                         |
| Public Securities     |                          |              |               |                |                |   |                                    |
| Common Stock          | —                        | —            | —             | —              | —              | —   | —                                  |
|                       | \$ 185,055,909           | \$ 5,333,017 | \$ 15,530,444 | \$ (6,184,639) | \$ (8,378,140) | \$ —  | \$ 192,356,537                     |

There were no transfers into or out of Level 1 or Level 2 assets.

Income, Gains and Losses included in Net Increase in Net Assets resulting from operations for the year are presented in the following accounts on the Statement of Operation:

|   | Net Increase in Net<br>Assets Resulting from<br>Operations | Change in Unrealized<br>Gains & (Losses) in Net<br>Assets from assets still<br>held |
|---|--|---|
| Interest (Amortization)   | \$ 12,993  | \$ —  |
| Net Realized Gain on<br>Investments before Taxes                        | 3,600,917  | —   |
| Net Change in Unrealized<br>Depreciation of<br>Investments Before Taxes | 1,603,107  | 4,963,627   |

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Babson Capital Corporate Investors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

B. Accounting for Investments:

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis, including the amortization of premiums and accretion of discounts on bonds held using the yield- to-maturity method. The Trust does not accrue income when payment is delinquent and when management believes payment is questionable.

Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and Federal income tax purposes on the identified cost method.

C. Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Federal Income Taxes:

The Trust has elected to be taxed as a “regulated investment company” under the Internal Revenue Code, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after<sup>3</sup> evaluating the prevailing economic conditions, will recommend that the Trustees either designate the net realized long-term gains as undistributed and pay the Federal capital gains taxes thereon or distribute all or a portion of such net gains. For the three months ended March 31, 2015, the Trust did not have any realized taxable long-term capital gains.

The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of operating a trade or business, e.g. the Trust’s pro rata share of income allocable to the Trust by a partnership

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax basis. As of March 31, 2015, the CI Subsidiary Trust has a deferred tax liability of \$1,519,864.

The Trust recognizes a tax benefit from an uncertain position only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority’s widely understood administrative practices and precedents. If this threshold is met, the Trust measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Trust has evaluated and determined that the tax positions did not have a material effect on the Trust’s financial position and results of operations for the three months ended March 31, 2015.

Each of the Trust’s Federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

E. Distributions to Shareholders:

The Trust records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. The Trust’s net investment income dividend is declared four times per year, in April, July, October, and December. The Trust’s net realized capital gain distribution, if any, is declared in December. Investment Services Contract

A. Services:

Under an Investment Services Contract (the “Contract”) with the Trust, Babson Capital agrees to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust’s investments. Under the Contract, Babson Capital also provides administration of the day-to-day operations of the Trust and provides the Trust with office space and

operating company. The Trust's violation of this limitation could result in the loss of its status as a regulated investment company, thereby subjecting all of its net income and capital gains to corporate taxes prior to distribution to its shareholders. The Trust, from time-to-time, identifies investment opportunities in the securities of entities that could cause such trade or business income to be allocable to the Trust. The CI Subsidiary Trust (described in Footnote 1 above) was formed in order to allow investment in such securities without adversely affecting the Trust's status as a regulated investment company.

The CI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the CI Subsidiary Trust, all of the CI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. As of March 31, 2015, the CI Subsidiary Trust has incurred income tax expense of \$24,873.

office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services.

**B. Fee:**

For its services under the Contract, Babson Capital is paid a quarterly investment advisory fee of 0.3125% of the net asset value of the Trust as of the last business day of each fiscal quarter, which is approximately equal to 1.25% annually. A majority of the Trustees, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital, approve the valuation of the Trust's net assets as of such day.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

## 4. Senior Secured Indebtedness

MassMutual holds the Trust's \$30,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust on November 15, 2007. The Note is due November 15, 2017 and accrues interest at 5.28% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the three months ended March 31, 2015, the Trust incurred total interest expense on the Note of \$396,000.

The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus a Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

## 5. Purchases and Sales of Investments

|                                 | For the nine<br>months ended<br>09/30/14 |   |
|---------------------------------|--|---|
|                                 | Cost of<br>Investments<br>Acquired       | Proceeds from<br>Sales or<br>Maturities |
| Corporate restricted securities | \$ 27,243,549                            | \$ 17,868,170                           |
| Corporate public securities     | 2,651,485                                | 2,610,717                               |

The aggregate cost of investments is substantially the same for financial reporting and Federal income tax purposes as of March 31, 2015. The net unrealized appreciation of investments for financial reporting and Federal tax purposes as of March 31, 2015 is \$5,601,720



and consists of \$30,704,826 appreciation and \$25,103,106 depreciation.

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Net unrealized appreciation of investments on the Statement of Assets and Liabilities reflects the balance net of a deferred tax accrual of \$1,519,864 on net unrealized gains on the CI Subsidiary Trust.

Babson Capital Corporate Investors

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**JOINT PRIVACY NOTICE OF BABSON CAPITAL MANAGEMENT LLC, BABSON CAPITAL SECURITIES LLC, BABSON CAPITAL CORPORATE INVESTORS AND BABSON CAPITAL PARTICIPATION INVESTORS**

When you use Babson Capital Management LLC (“Babson Capital”) as your investment adviser, invest in Babson Capital Corporate Investors or Babson Capital Participation Investors (collectively, the “Funds”), or use Babson Capital Securities LLC, you entrust us not only with your hard-earned assets but also with your personal and financial data. We consider your data to be private and confidential, and protecting its confidentiality is important to us. Our policies and procedures regarding your personal information are summarized below.

We may collect non-public personal information about you from:

Applications or other forms, interviews, or by other means;

Consumer or other reporting agencies, government agencies, employers or others;

Your transactions with us, our affiliates, or others; and

Our Internet website.

We may share the financial information we collect with our financial service affiliates, such as insurance companies, investment companies and securities broker-dealers. Additionally, so that we may continue to offer you products and services that best meet your investment needs and to effect transactions that you request or authorize, we may disclose the information we collect, as described above, to companies that perform administrative or marketing services on our behalf, such as transfer agents, custodian banks, service providers or printers and mailers that assist us in the distribution of investor materials or that provide operational support to Babson Capital entities. These companies are required to protect this information and will use this information only for the services for which we hire them, and are not permitted to use or share this information for any other purpose. Some of these companies may perform such services in jurisdictions other than the United States. We may share some or all of the information we collect with other financial institutions with whom we jointly market products. This may be done only if it is permitted in the state in which you live. Some disclosures may be limited to your name, contact and transaction information with us or our affiliates.

Any disclosures will be only to the extent permitted by federal and state law. Certain disclosures may require us to get an “opt-in” or “opt-out” from you. If this is required, we will do so before information is shared. Otherwise, we do not share any personal information about our customers or former customers unless authorized by the customer or as permitted by law.

We restrict access to personal information about you to those employees who need to know that information to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with legal standards to guard your personal information. As an added measure, we do not include personal or account information in non-secure e-mails that we send you via the Internet without your prior consent. We advise you not to send such information to us in non-secure e-mails.

This joint notice describes the privacy policies of Babson Capital, the Funds and Babson Capital Securities LLC. It applies to all Babson Capital and the Funds accounts you presently have, or may open in the future, using your social security number or federal taxpayer identification number – whether or not you remain a shareholder of our Funds or as an advisory client of Babson Capital. As mandated by rules issued by the Securities and Exchange Commission, we will be sending you this notice annually, as long as you own shares in the Funds or have an account with Babson Capital.

Babson Capital Securities LLC is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Investors may obtain information about SIPC including the SIPC brochure by contacting SIPC online at [www.sipc.org](http://www.sipc.org) or calling (202)371-8300. Investors may obtain information about FINRA including the FINRA Investor Brochure by contacting FINRA online at [www.finra.org](http://www.finra.org) or calling (800) 289-9999.

Babson Capital Corporate Investors

Members of the Board of Trustees

**DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN**

William J. Barrett

Michael H. Brown\*

Barbara M. Ginader

Edward P. Grace III

Robert E. Joyal

Clifford M. Noreen

Susan B. Sweeney\*

Maleyne M. Syracuse\*

\*Member of the Audit Committee

Babson Capital Corporate Investors (the “Trust”) offers a Dividend Reinvestment and Share Purchase Plan (the “Plan”). The Plan provides a simple way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the investment of cash dividends in Trust shares purchased in the open market. A shareholder may join the Plan by filling out and mailing an authorization card to DST Systems, Inc., the Transfer Agent.

Participating shareholders will continue to participate until they notify the Transfer Agent, in writing, of their desire to terminate participation. Unless a shareholder elects to participate in the Plan, he or she will, in effect, have elected to receive dividends and distributions in cash. Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$10 nor more than \$5,000 per quarter. Cash contributions must be received by the Transfer Agent at least five days (but no more than 30 days) before the payment date of a dividend or distribution.

Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment.

Officers

Clifford M. Noreen  
Chairman

Michael L. Klofas  
President

James M. Roy  
Vice President & Chief  
Financial Officer

Christopher A. DeFrancis  
Vice President, Secretary &  
Chief Legal Officer

Sean Feeley  
Vice President

Richard E. Spencer, II  
Vice President

When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date.

The reinvestment of dividends does not, in any way, relieve participating shareholders of any federal, state or local tax. For federal income tax purposes, the amount reportable in respect of a dividend received in newly-issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains.

As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.)

Any questions regarding the Plan should be addressed to DST Systems, Inc., Transfer Agent for Babson Capital Corporate Investors’ Dividend Reinvestment and Share Purchase Plan, P.O. Box 219086, Kansas City, MO 64121-9086.

Daniel J. Florence  
Treasurer

Melissa M. LaGrant  
Chief Compliance Officer

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Babson Capital  
Corporate Investors



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