

BABSON CAPITAL PARTICIPATION INVESTORS

Form N-PX

August 31, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-PX

ANNUAL REPORT OF PROXY VOTING RECORD OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act file number 811-05531

BABSON CAPITAL PARTICIPATION INVESTORS

(Exact name of registrant as specified in charter)

1500 Main Street
P.O. Box 15189
Springfield, MA 01115-5189
(Address of principal executive offices) (Zip code)

Christopher A. DeFrancis, Vice President and Secretary
1500 Main Street, Suite 2800, Springfield, MA 01115-5189
(name and address of agent for service)

Registrant's telephone number, including area code:
413-226-1000

Date of fiscal year end: December 31

Date of reporting period: July 1, 2011 - June 30, 2012

Item 1. Proxy Voting Record.

INTREPID POTASH, INC.

Ticker: IPI Security ID: 46121Y102
 Meeting Date: May 29, 2012 Meeting Type: Annual
 Record Date: April 2, 2012

| # | Proposal | Mgt Rec. | Vote Cast | Sponsor |
|-----|--|----------|-----------|------------|
| 1A. | Election of Directors (Majority Voting) | For | For | Management |
| 1B. | Election of Directors (Majority Voting) | For | For | Management |
| 2. | Ratify Appointment of Independent Auditors | For | For | Management |
| 3. | 14A Executive Compensation | For | For | Management |
| 4. | Amend Stock Compensation Plan | For | For | Management |
| 5. | Amend Stock Compensation Plan | For | For | Management |

NORTEK, INC.

Ticker: NTK Security ID: 656559309
 Meeting Date: May 8, 2012 Meeting Type: Annual
 Record Date: March 14, 2012

| # | Proposal | Mgt Rec. | Vote Cast | Sponsor |
|----|--|----------|-----------|------------|
| 1. | Election of Directors | | | |
| | i. Michael J. Clarke | For | For | Management |
| | ii. Daniel C. Lukas | For | For | Management |
| | iii. Bennett Rosenthal | For | For | Management |
| 2. | Ratify Appointment of Independent Auditors | For | For | Management |
| 3. | Approve Stock Compensation Plan | For | For | Management |

RUE21, INC.

Ticker: RUE Security ID: 781295100
 Meeting Date: June 8, 2012 Meeting Type: Annual
 Record Date: April 10, 2012

| # | Proposal | Mgt Rec. | Vote Cast | Sponsor |
|----|--|----------|-----------|------------|
| 1. | Election of Directors | | | |
| | i. John Megrue | For | For | Management |
| | ii. Macon Brock | For | For | Management |
| 2. | 14A Executive Compensation | For | For | Management |
| 3. | Ratify Appointment of Independent Auditors | For | For | Management |