

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
November 27, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of
Registered Management Investment Company

Investment Company Act file number 811-02183

Babson Capital Corporate Investors

(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

(Address of principal executive offices) (Zip code)

Christopher A. DeFrancis, Vice President and Secretary
1500 Main Street, Suite 2800, Springfield, MA 01115

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 09/30/13

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2013

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities - 91.99%: (A)				
Private Placement Investments - 79.31%				
1492 Acquisition LLC				
A leading producer of premium Italian cured meats and deli meats in the U.S.				
14% Senior Subordinated Note due 2019	\$2,779,614	10/17/12	\$2,729,744	\$2,785,229
Limited Liability Company Unit Class A Common (B)	27,273 uts.	10/17/12	27,273	94,861
Limited Liability Company Unit Class A Preferred (B)	245 uts.	10/17/12	245,450	259,679
			3,002,467	3,139,769
A E Company, Inc.				
A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries.				
	323,077			
Common Stock (B)	shs.	11/10/09	323,077	493,455
Warrant, exercisable until 2019, to purchase				
	161,538			
common stock at \$.01 per share (B)	shs.	11/10/09	119,991	246,727
			443,068	740,182
A H C Holding Company, Inc.				
A designer and manufacturer of boilers and water heaters for the commercial sector.				
Limited Partnership Interest (B)	23.16% int.	11/21/07	224,795	372,010
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.				
Limited Liability Company Unit Class A (B)	4,128 uts.	*	147,972	279,962
Limited Liability Company Unit Class B (B)	2,793 uts.	10/09/09	100,114	189,422
* 10/09/09 and 10/27/10.			248,086	469,384
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 2014 (D)	\$735,000	05/15/08	724,402	367,500
13% Senior Subordinated Note due 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.				

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13% Senior Subordinated Note due 2019	\$ 1,200,000	08/01/12	1,087,040	1,188,423
Preferred Stock Series A (B)	300,000 shs.	08/01/12	300,000	300,000
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	53,794 shs.	08/01/12	101,870 1,488,910	53,794 1,542,217

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Babson Capital Corporate Investors
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2013
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value		
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 2018	\$ 2,723,077	12/07/12	2,685,960	2,545,430		
Limited Liability Company Unit (B)	3,434 uts.	12/07/12	343,385	233,962		
			3,029,345	2,779,392		
Advanced Technologies Holdings A provider of factory maintenance services to industrial companies.						
Preferred Stock Series A (B)	796 shs.	12/27/07	393,754	1,712,104		
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800	112,943		
			434,554	1,825,047		
All Current Holding Company A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors.						
Common Stock (B)		1,347 shs.	09/26/08	134,683	265,873	
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)		958 shs.	09/26/08	87,993	189,092	
			222,676	454,965		
American Hospice Management Holding LLC A for-profit hospice care provider in the United States.						
12% Senior Subordinated Note due 2013			\$2,337,496	*	2,329,989	2,337,496
Preferred Class A Unit (B)			3,223 uts.	**	322,300	510,756
Preferred Class B Unit (B)			1,526 uts.	06/09/08	152,626	349,454
Common Class B Unit (B)			30,420 uts.	01/22/04	1	—
Common Class D Unit (B)			6,980 uts.	09/12/06	1	—
					2,804,917	3,197,706
AMS Holding LLC A leading multi-channel direct marketer of high-value collectible coins and proprietary-branded jewelry and watches.						
14.25% Senior Subordinated Note due 2019			\$2,788,463	10/04/12	2,738,733	2,807,476
Limited Liability Company Unit Class A Preferred (B)			273 uts.	10/04/12	272,727	272,730

3,011,460 3,080,206

Apex Analytix Holding Corporation

A provider of audit recovery and fraud detection services and software to commercial and retail businesses in the U.S. and Europe.

12.5% Senior Subordinated Note due 2017	\$ 1,912,500	04/28/09	1,760,473	1,912,500
Preferred Stock Series B (B)	3,065 shs.	04/28/09	306,507	449,629
Common Stock (B)	1,366 shs.	04/28/09	1,366	197,445
			2,068,346	2,559,574

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Arch Global Precision LLC				
A leading manufacturer of high tolerance precision components and consumable tools.				
14.75% Senior Subordinated Note due 2018	\$2,362,152	12/21/11	\$2,313,145	\$2,354,493
Limited Liability Company Unit Class B (B)	85 uts.	12/21/11	85,250	95,142
Limited Liability Company Unit Class C (B)	665 uts.	12/21/11	664,750	741,888
			3,063,145	3,191,523
ARI Holding Corporation				
A leading national supplier of products used primarily by specialty contractors.				
13.5% Senior Subordinated Note due 2020	\$2,620,461	05/21/13	2,569,991	2,593,349
Preferred Stock (B)	58 shs.	05/21/13	579,208	584,348
Common Stock (B)	58 shs.	05/21/13	64,356	104,324
			3,213,555	3,282,021
Arrow Tru-Line Holdings, Inc				
A manufacturer of hardware for residential and commercial overhead garage doors in North America.				
12% Senior Subordinated Note due 2016 (D)	\$1,473,588	05/18/05	1,364,577	1,473,588
Preferred Stock (B)	63 shs.	10/16/09	62,756	169,983
Common Stock (B)	497 shs.	05/18/05	497,340	10,246
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	130 shs.	05/18/05	112,128	2,686
			2,036,801	1,656,503
Baby Jogger Holdings LLC				
A designer and marketer of premium baby strollers and stroller accessories.				
14% Senior Subordinated Note due 2019	\$2,826,634	04/20/12	2,778,864	2,883,167
Common Stock (B)	2,261 shs.	04/20/12	226,132	389,363
			3,004,996	3,272,530
Blue Wave Products, Inc.				
A distributor of pool supplies.				
10% Senior Secured Term Note due 2018	\$714,893	10/12/12	702,374	705,849
13% Senior Subordinated Note due 2019	\$721,869	10/12/12	673,569	709,110
Common Stock (B)	114,894 shs.	10/12/12	114,894	124,713
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	45,486 shs.	10/12/12	45,486	49,373
			1,536,323	1,589,045
BP SCI LLC				
A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets.				
14% Senior Subordinated Note due 2018	\$2,548,402	10/17/12	2,503,822	2,463,668
Limited Liability Company Unit Class A (B)	1,000 uts.	10/17/12	100,000	82,014
Limited Liability Company Unit Class B (B)	400 uts.	10/17/12	400,000	435,110
			3,003,822	2,980,792

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Babson Capital Corporate Investors
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2013
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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 2014 Preferred Stock Class A (B)	\$2,281,593	06/30/06	\$2,261,617	\$2,167,513
Common Stock (B)	879 shs.	06/30/06	268,121	119,664
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	1 sh.	06/30/06	286	—
	309 shs.	06/30/06	92,102	42,056
			2,622,126	2,329,233
C D N T, Inc.				
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils.				
10.5% Senior Secured Term Note due 2014	\$140,788	08/07/08	140,287	140,788
12.5% Senior Subordinated Note due 2015	\$750,872	08/07/08	724,336	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	137,058
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689	107,766
			995,568	1,136,484
Capital Specialty Plastics, Inc.				
A producer of desiccant strips used for packaging pharmaceutical products.				
Common Stock (B)	109 shs.	*	503	1,230,142
*12/30/97 and 05/29/99.				
CG Holdings Manufacturing Company				
A coating provider in the fragmented North American market, serving the automotive, agricultural, heavy truck and other end markets.				
13% Senior Subordinated Note due 2019	\$2,727,273	05/09/13	2,572,468	2,743,442
Preferred Stock (B)	2,455 shs.	05/09/13	245,454	242,234
Preferred Stock-OID (B)	965 shs.	05/09/13	96,496	95,242
Common Stock (B)	253 shs.	05/09/13	27,273	16,882
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	114 shs.	05/09/13	10,736	7,615
			2,952,427	3,105,415
CHG Alternative Education Holding Company				
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 2018	\$2,226,881	01/19/11	2,133,210	2,271,418
14% Senior Subordinated Note due 2019	\$575,843	08/03/12	565,790	577,893
Common Stock (B)	1,125 shs.	01/19/11	112,500	141,748

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Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	884 shs.	01/19/11	87,750 2,899,250	111,422 3,102,481
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Church Services Holding Company				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
14.5% Senior Subordinated Note due 2018	\$1,236,726	03/26/12	\$1,202,900	\$1,229,501
Common Stock (B)	3,981 shs.	*	398,100	348,713
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	172 shs.	03/26/12	17,220	15,066
*03/26/12, 05/25/12 and 06/19/12.			1,618,220	1,593,280
Clough, Harbour and Associates				
An engineering service firm that is located in Albany, NY.				
Preferred Stock (B)	277 shs.	12/02/08	276,900	399,942
Connecticut Electric, Inc.				
A supplier and distributor of electrical products sold into the retail and wholesale markets.				
10% Senior Subordinated Note due 2014 (D)	\$1,456,429	01/12/07	1,358,675	1,433,979
	156,046			
Limited Liability Company Unit Class A (B)	uts.	01/12/07	156,046	95,396
	112,873			
Limited Liability Company Unit Class C (B)	uts.	01/12/07	112,873	73,946
	1,268,437			
Limited Liability Company Unit Class D (B)	uts.	05/03/10	—	1,365,306
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	—	—
			1,627,594	2,968,627
Connor Sport Court International, Inc.				
A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products.				
Preferred Stock Series B-2 (B)	17,152 shs.	07/05/07	700,392	539,611
Preferred Stock Series C (B)	7,080 shs.	07/05/07	236,503	222,727
Common Stock (B)	718 shs.	07/05/07	7	—
Limited Partnership Interest (B)	12.64% int.	*	189,586	—
*08/12/04 and 01/14/05.			1,126,488	762,338
CorePharma LLC				
A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.				
Warrant, exercisable until 2015, to purchase common stock at \$.001 per share (B)	20 shs.	08/04/05	137,166	504,919
Crane Rental Corporation				
A crane rental company since 1960, headquartered in Florida.				

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13% Senior Subordinated Note due 2015	\$1,950,750	08/21/08	1,872,920	1,950,750
	255,000			
Common Stock (B)	shs.	08/21/08	255,000	296,984
Warrant, exercisable until 2016, to purchase				
	136,070			
common stock at \$.01 per share (B)	shs.	08/21/08	194,826	158,472
			2,322,746	2,406,206

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Babson Capital Corporate Investors
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2013
 (Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Custom Engineered Wheels, 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.	10/27/09	\$295,550	\$391,597
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	286,116
Common Stock (B)	72 shs.	10/27/09	72,238	140,863
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	53 shs.	10/27/09	48,608	102,917
			613,548	921,493
DPL Holding Corporation				
A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.				
14% Senior Subordinated Note due 2019	\$3,157,964	05/04/12	3,104,395	2,997,552
Preferred Stock (B)	61 shs.	05/04/12	605,841	638,116
Common Stock (B)	61 shs.	05/04/12	67,316	116,349
			3,777,552	3,752,017
Duncan Systems, Inc.				
A distributor of windshields and side glass for the recreational vehicle market.				
10% Senior Secured Term Note due 2013	\$135,000	11/01/06	134,968	134,781
13% Senior Subordinated Note due 2014	\$855,000	11/01/06	834,563	845,668
Common Stock (B)	180,000 shs.	11/01/06	180,000	42,105
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	56,514 shs.	11/01/06	78,160	13,220
			1,227,691	1,035,774
E S P Holdco, Inc.				
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	474,193
Eatem Holding Company				
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.				
12.5% Senior Subordinated Note due 2018	\$ 2,850,000	02/01/10	2,590,968	2,801,525
Common Stock (B)	150 shs.	02/01/10	150,000	178,105
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	358 shs.	02/01/10	321,300	424,661

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			3,062,268	3,404,291
ELT Holding Company				
A provider of web-based ethics and compliance training solutions for companies in the United States.				
14% Senior Subordinated Note due				
2019	\$ 2,816,026	03/01/12	2,769,803	2,803,376
Common Stock (B)	122 shs.	03/01/12	272,727	186,897
			3,042,530	2,990,273

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
EPM Holding Company				
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 2019				
	\$ 1,156,249	07/26/13	\$ 1,133,674	\$ 1,146,861
Common Stock	3,069 shs.	07/26/13	306,947	291,600
			1,440,621	1,438,461
F F C Holding Corporation				
A leading U.S. manufacturer of private label frozen novelty and ice cream products.				
16% Senior Subordinated Note due 2017				
	\$ 2,763,034	09/27/10	\$ 2,730,726	\$ 2,763,034
Limited Liability Company Unit Preferred (B)				
	512 uts.	09/27/10	175,035	575,305
Limited Liability Company Unit (B)	512 uts.	09/27/10	51,220	60,783
			2,956,981	3,399,122
F G I Equity LLC				
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.				
13.25% Senior Subordinated Note due 2018				
		\$2,618,849	05/02/13	2,594,371
14.25% Senior Subordinated Note due 2018				
		\$684,253	02/29/12	684,437
				684,936
Limited Liability Company Unit Class B-1 (B)		uts.	12/15/10	394,737
Limited Liability Company Unit Class B-2 (B)		49,488 uts.	12/15/10	49,488
Limited Liability Company Unit Class B-3 (B)		39,130 uts.	08/30/12	90,000
Limited Liability Company Unit Class C (B)		9,449 uts.	12/20/10	96,056
				155,546
			3,909,089	4,651,612
Flutes, Inc.				
An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products packaging industries.				
10% Senior Secured Term Note due 2014 (D)				
	\$ 1,146,937	04/13/06	908,339	1,146,937
14% Senior Subordinated Note due 2015 (D)				
	\$ 756,489	04/13/06	509,089	71,448
			1,417,428	1,218,385
G C Holdings				
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				

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common stock at \$.01 per share (B)	594 shs.	10/19/10	140,875	1,959,742
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GD Dental Services LLC

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	5,276
Limited Liability Company Unit Preferred (B)	182 uts.	10/05/12	182,209	193,124
			184,049	198,400

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Babson Capital Corporate Investors
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2013
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
gloProfessional Holdings, Inc.				
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 due 2019	\$ 2,744,223	03/27/13	\$ 2,692,943	\$ 2,683,766
Common Stock (B)	2,835 shs.	03/27/13	283,465	255,815
			2,976,408	2,939,581
Golden County Foods Holding, Inc.				
A manufacturer of frozen appetizers and snacks.				
14% Senior Subordinated Note due 2015 (D)	\$ 1,912,500	11/01/07	1,772,199	—
14% PIK Note due 2015 (D)	\$ 472,711	12/31/08	411,209	—
8% Series A Convertible Preferred Stock, convertible into common shares (B)	287,658 shs.	11/01/07	146,658	—
			2,330,066	—
H M Holding Company				
A designer, manufacturer, and importer of promotional and wood furniture.				
7.5% Senior Subordinated Note due 2014 (D)		\$685,100	10/15/09	512,231
Preferred Stock (B)		40 shs.	*	40,476
Preferred Stock Series B (B)		2,055 shs.	10/15/09	1,536,694
Common Stock (B)		340 shs.	02/10/06	340,000
Common Stock Class C (B)		560 shs.	10/15/09	—
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)		126 shs.	02/10/06	116,875
* 09/18/07 and 06/27/08.				2,546,276
Handi Quilter Holding Company				
A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.				
12% Senior Subordinated Note due 2017		\$1,384,615	11/14/11	1,304,294
Common Stock (B)		115 shs.	11/14/11	115,385
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)		83 shs.	11/14/11	76,788
				1,496,467
				1,903,554
Healthcare Direct Holding Company				
A direct-to-consumer marketer of discount dental plans.				
14% Senior Subordinated Note due 2019		\$2,162,178	03/09/12	2,126,604
				2,058,848

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Common Stock (B)	1,552 shs.	03/09/12	155,172	43,018
			2,281,776	2,101,866

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Hi-Rel Group LLC				
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 2018	\$1,687,500	04/15/13	\$1,583,549	\$1,663,751
Limited Liability Company Unit (B)	563 uts.	04/15/13	562,500	540,480
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	89,224 shs.	04/15/13	77,625	64,215
			2,223,674	2,268,446
Home Décor Holding Company				
A designer, manufacturer and marketer of framed art and wall décor products.				
Common Stock (B)	63 shs.	*	62,742	159,411
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	200 shs.	*	199,501	506,893
* 06/30/04 and 08/19/04.			262,243	666,304
HOP Entertainment LLC				
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	—	—
Hospitality Mints Holding Company				
A manufacturer of individually-wrapped imprinted promotional mints.				
12% Senior Subordinated Note due 2016	\$2,075,581	08/19/08	1,998,219	2,003,761
Common Stock (B)	474 shs.	08/19/08	474,419	134,705
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	123 shs.	08/19/08	113,773	34,816
			2,586,411	2,173,282
HVAC Holdings, Inc.				
A provider of integrated energy efficiency services and maintenance programs for HVAC systems.				
14% Senior Subordinated Note due 2019	\$2,782,844	09/27/12	2,733,256	2,750,718
Preferred Stock Series A (B)	2,705 shs.	09/27/12	270,542	296,165
Common Stock (B)	2,185 shs.	09/27/12	2,185	18,678
			3,005,983	3,065,561
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	479,312

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Babson Capital Corporate Investors
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2013
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Insurance Claims Management, Inc.				
A third party administrator providing auto and property claim administration services for insurance companies.				
Common Stock (B)	89 shs.	02/27/07	\$ 2,689	\$ 574,999
J A C Holding Enterprises, Inc.				
A supplier of luggage racks and accessories to the original equipment manufacturers.				
Preferred Stock A (B)	495 shs.	12/20/10	495,000	670,204
Preferred Stock B (B)	0.17 shs.	12/20/10	—	226
Common Stock (B)	100 shs.	12/20/10	5,000	144,730
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	36 shs.	12/20/10	316,930 816,930	52,479 867,639
Jason Partners Holdings LLC				
A diversified manufacturing company serving various industrial markets.				
Limited Liability Company Unit (B)	90 uts.	09/21/10	848,275	48,185
JMH Investors LLC				
A developer and manufacturer of custom formulations for a wide variety of foods.				
14.25% Senior Subordinated Note due 2019	\$ 2,524,413	12/05/12	2,478,395	2,457,881
Limited Liability Company Unit (B)	521,739 uts.	12/05/12	521,739 3,000,134	405,200 2,863,081
K & N Parent, Inc.				
A manufacturer and supplier of automotive aftermarket performance air filters and intake systems.				
14% Senior Subordinated Note due 2019	\$ 3,428,236	12/23/11	3,352,154	3,434,749
Preferred Stock Series A (B)	305 shs.	12/23/11	119,662	350,273
Preferred Stock Series B (B)	86 shs.	12/23/11	—	99,140
Common Stock (B)	391 shs.	12/23/11	19,565 3,491,381	148,046 4,032,208
K N B Holdings Corporation				
A designer, manufacturer and marketer of products for the custom framing market.				
14% Senior Subordinated Note due 2017	\$ 4,616,657	*	4,337,464	4,616,657
Common Stock (B)	134,210 shs.	05/25/06	134,210	71,438

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Warrant, exercisable until 2016, to
purchase

common stock at \$.01 per share (B)	82,357 shs.	05/25/06	71,534	43,837
* 05/25/06 and 04/12/11.			4,543,208	4,731,932

K P H I Holdings, Inc.

A manufacturer of highly engineered plastic and metal components for a diverse range of end-markets, including medical, consumer and industrial, automotive and defense.

	698,478			
Common Stock (B)	shs.	12/10/10	698,478	808,469

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
K P I Holdings, Inc.				
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	\$110,000
Convertible Preferred Stock Series D (B)	24 shs.	09/17/09	24,476	73,410
Common Stock (B)	443 shs.	07/15/08	443,478	93,563
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	96 shs.	07/16/08	96,024	20,258
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	128 shs.	09/17/09	—	26,920
			619,413	324,151
LPC Holding Company				
A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets.				
Common Stock (B)	315 shs.	08/15/11	315,057	440,018
M V I Holding, Inc.				
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	30,066
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	66 shs.	09/12/08	65,571	32,473
			126,285	62,539
Mail Communications Group, Inc.				
A provider of mail processing and handling services, lettershop services, and commercial printing services.				
Limited Liability Company Unit (B)	24,109 uts.	*	314,464	474,165
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3,375 shs.	05/04/07	43,031	66,378
* 05/04/07 and 01/02/08.			357,495	540,543
Manhattan Beachwear Holding Company				
A designer and distributor of women's swimwear.				
12.5% Senior Subordinated Note due 2018	\$1,259,914	01/15/10	1,151,081	1,259,914
15% Senior Subordinated Note due 2018	\$331,003	10/05/10	326,482	317,117
Common Stock (B)	106 shs.	10/05/10	106,200	250,711
Common Stock Class B (B)	353 shs.	01/15/10	352,941	833,201
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	312 shs.	01/15/10	283,738	737,378
			2,220,442	3,398,321

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2013
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Marshall Physicians Services LLC				
A provider of emergency department and hospital medicine services to hospitals located in the state of Kentucky. The Company was founded in 1999 and is owned by seven practicing physicians.				
13% Senior Subordinated Note due 2016	\$1,347,005	09/20/11	\$1,326,104	\$1,373,945
Limited Liability Company Unit Class A (B)	8,700 uts.	09/20/11	180,000	391,987
Limited Liability Company Unit Class D (B)	874 uts.	09/20/11	—	23,563
			1,506,104	1,789,495
MBWS Ultimate Holdco, Inc.				
A provider of services throughout North Dakota that address the fluid management and related transportation needs of an oil well.				
12% Senior Subordinated Note due 2016	\$3,352,486	*	3,156,590	3,352,486
Preferred Stock Series A (B)	4,164 shs.	09/07/10	416,392	1,187,746
Common Stock (B)	487 shs.	03/01/11	48,677	138,913
Common Stock (B)	458 shs.	09/07/10	45,845	130,641
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	310 shs.	03/01/11	30,975	88,425
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,158 shs.	09/07/10	115,870	330,310
* 09/07/10 and 03/01/11.			3,814,349	5,228,521
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	125,519	164,715
Common Unit Class A (B)	1,268 uts.	08/29/08	1,268	57,198
Common Unit Class B (B)	472 uts.	08/29/08	120,064	21,283
			246,851	243,196
MEGTEC Holdings, Inc.				
A supplier of industrial and environmental products and services to a broad array of industries.				
Preferred Stock (B)	107 shs.	09/24/08	103,255	166,284
Limited Partnership Interest (B)	1.40% int.	09/16/08	388,983	776,528
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/24/08	33,268	124,465
			525,506	1,067,277
Merex Holding Corporation				
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 2018	\$1,273,585	09/22/11	1,253,454	1,285,794

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Limited Liability Company Unit Series B (B)	467,833 uts.	09/22/11	467,833 1,721,287	515,379 1,801,173
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
MicroGroup, Inc.				
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.				
7% Senior Subordinated Note due 2014 (D)	\$1,705,152	*	\$1,635,166	\$426,288
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 2014, to purchase common stock at \$.02 per share (B)	164 shs.	*	162,974	—
* 08/12/05 and 09/11/06.			3,190,205	426,288
MNX Holding Company				
An international third party logistics company providing customized logistics services to customers across the globe.				
14% Senior Subordinated Note due 2019	\$2,946,092	11/02/12	2,892,961	2,921,159
Common Stock (B)	107 shs.	11/02/12	107,143	88,370
			3,000,104	3,009,529
Motion Controls Holdings				
A manufacturer of high performance mechanical motion control and linkage products.				
14.25% Senior Subordinated Note due 2017	\$2,858,863	11/30/10	2,822,472	2,809,029
Limited Liability Company Unit Class B-1 (B)	281,250 uts.	11/30/10	—	250,276
Limited Liability Company Unit Class B-2 (B)	25,504 uts.	11/30/10	—	22,695
			2,822,472	3,082,000
NABCO, Inc.				
A producer of explosive containment vessels in the United States.				
Common Stock (B)	809 shs.	12/20/12	578,174	191,426
NetShape Technologies, Inc.				
A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications.				
14% Senior Subordinated Note due 2014	\$2,004,985	02/02/07	1,941,101	1,904,
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	430,367
Limited Liability Company Unit Class D-2 of Saw Mill PCG Partners LLC (B)	128 uts.	04/29/11	65,256	442,726
* 12/18/08 and 09/30/09.			3,362,784	2,777,829

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2013
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Newark Group, Inc. A major producer of paper products from recycled materials.				
Common Stock (B)	134,520 shs.	09/02/10	\$ 796,862	\$ 411,497
Nicoat Acquisitions LLC A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications.				
14% Senior Subordinated Note due 2018 Limited Liability Company Unit Series B (B)	\$ 1,469,573	11/05/10	1,378,600	1,484,269
Limited Liability Company Unit Series B (B)	51,724 uts. 104,792	11/05/10	51,724	64,003
Limited Liability Company Unit Series B (B)	uts. 156,516	11/05/10	104,792	129,669
Limited Liability Company Unit Series F (B)	uts.	11/05/10	— 1,535,116	686,666 2,364,607
Northwest Mailing Services, Inc. A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.				
12% Senior Subordinated Note due 2016 Limited Partnership Interest (B)	\$ 2,818,421	*	2,516,835	2,776,423
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	3,287 uts.	*	328,679	163,221
* 07/09/09 and 08/09/10.	4,920 shs.	*	492,016 3,337,530	244,333 3,183,977
NT Holding Company A leading developer, manufacturer and provider of medical products used primarily in interventional pain management.				
12% Senior Subordinated Note due 2019 Common Stock (B)	\$ 2,649,351	02/02/11	2,485,674	2,675,845
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	377 shs.	*	377,399	432,229
*02/02/11 and 06/30/11.	176 shs.	02/02/11	158,961 3,022,034	201,867 3,309,941
O E C Holding Corporation A provider of elevator maintenance, repair and modernization services.				
13% Senior Subordinated Note due 2017 Preferred Stock Series A (B)	\$ 1,333,333	06/04/10	1,254,993	1,333,333
Preferred Stock Series B (B)	1,661 shs.	06/04/10	166,062	71,768
	934 shs.	06/04/10	93,376	40,355

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Common Stock (B)	1,032 shs.	06/04/10	1,032	—
			1,515,463	1,445,456
Ontario Drive & Gear Ltd.				
A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories.				
Limited Liability Company Unit (B)	3,667 uts.	01/17/06	572,115	1,603,400
Warrant, exercisable until 2013, to purchase				