

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
May 30, 2014

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: 03/31/14

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2014

(Unaudited)

Corporate Restricted Securities - 89.99%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Private Placement Investments - 72.43%				
1492 Acquisition LLC				
A leading producer of premium Italian cured meats and deli meats in the U.S.				
14% Senior Subordinated Note due 2019				
	\$ 1,601,827	10/17/12	\$ 1,574,125	\$ 1,633,863
Limited Liability Company Unit Class A Common (B)				
	27,273 uts.	10/17/12	27,273	113,777
Limited Liability Company Unit Class A Preferred (B)				
	245 uts.	10/17/12	245,450	270,528
			1,846,848	2,018,16
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	181,387	410,816
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 2020				
	\$ 1,942,789	12/20/13	1,905,083	1,968,989
Limited Liability Company Unit Class A (B)				
	5,843 shs.	*	290,317.00	508,744.00
Limited Liability Company Unit Class B (B)				
	2,793 uts.	10/09/09	100,114	243,184
			2,295,514	2,720,917
* 10/09/09 and 10/27/10.				
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.				

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A manufacturer of mine and tunneling ventilation products
in the U.S.

13% Senior Subordinated Note due 2019	\$ 1,200,000	08/01/12	1,093,302	1,211,018
Preferred Stock Series A (B)	300,000 shs.	08/01/12	300,000	373,232
Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B)	53,794 shs.	08/01/12	101,870 1,495,172	61,997 1,646,247

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	—	—
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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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.	*	343,385	233,962
* 12/07/12 and 7/11/13.			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	1,462,111
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800	96,452
			434,554	1,558,563
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	266,162
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) 958 shs.		09/26/08	87,993	189,297
			222,676	455,459
American Hospice Management Holding LLC				
A for-profit hospice care provider in the United States.				
12% Senior Subordinated Note due 2014	\$ 2,337,496	*	2,335,734	2,220,621
Preferred Class A Unit (B)	3,223 uts.	**	322,300	137,624
Preferred Class B Unit (B)	1,526 uts.	06/09/08	152,626	381,409
Common Class B Unit (B)	30,420 uts.	01/22/04	1	—
Common Class D Unit (B)	6,980 uts.	09/12/06	1	—
* 01/22/04 and 06/09/08.			2,810,662	2,739,654
** 01/22/04 and 09/12/06.				

AMS Holding LLC

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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	452,405
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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.

Preferred Stock Series B (B)	3,065 shs.	04/28/09	306,507	479,125
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Common Stock (B)	1,366 shs.	04/28/09	1,366	364,735
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			307,873	843,860
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	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				
	\$ 2,394,743	12/21/11	\$ 2,348,943	\$ 2,442,638
Limited Liability Company Unit Class B (B)				
	79 uts.	12/21/11	85,250	167,107
Limited Liability Company Unit Class C (B)				
	671 uts.	12/21/11	664,750	1,363,864
			3,098,943	3,973,609
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				
	\$ 388,481	05/18/05	345,105	388,481
Preferred Stock (B)				
	63 shs.	10/16/09	62,756	193,640
Common Stock (B)				
	497 shs.	05/18/05	497,340	56,904
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share				
	130 shs.	05/18/05	112,128	14,918
			1,017,329	653,943
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	2,781,786	2,883,167
Common Stock (B)				
	2,261 shs.	04/20/12	226,132	385,567
			3,007,918	3,268,734
Blue Wave Products, Inc.				
A distributor of pool supplies.				
10% Senior Secured Term Note due 2018				
	\$ 714,893	10/12/12	703,361	714,893

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13% Senior Subordinated Note due 2019	\$ 725,483	10/12/12	679,815	726,011
Common Stock (B)	114,894 shs.	10/12/12	114,894	191,742
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	45,486 shs.	10/12/12	45,486 1,543,556	75,910 1,708,556
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	\$ 2,573,950	10/17/12	2,532,496	2,534,152
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 3,032,496	462,206 3,078,372

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(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	\$ 2,281,593	06/30/06	\$ 2,274,797	\$ 2,053,434
Preferred Stock Class A (B)	879 shs.	06/30/06	268,121	115,275
Common Stock (B)	1 sh.	06/30/06	286	—
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	309 shs.	06/30/06	92,102	40,513
			2,635,306	2,209,222
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	\$ 46,929	08/07/08	46,863	46,929
12.5% Senior Subordinated Note due 2015	\$ 750,872	08/07/08	730,930	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	174,955
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689	137,565
			908,738	1,110,321
Capital Specialty Plastics, Inc.				
A producer of desiccant strips used for packaging pharmaceutical products.				
Common Stock (B)	109 shs.	*	503	1,068,503
*12/30/97 and 05/29/99.				
CG Holdings Manufacturing Company				
A coating provider serving the automotive, agricultural, heavy truck and other end markets.				
13% Senior Subordinated Note due 2019	\$ 3,390,252	05/09/13	3,204,351	3,475,487
Preferred Stock (B)	3,241 shs.	05/09/13	324,054	227,852
Preferred Stock (B)	1,174 shs.	05/09/13	116,929	82,553

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Common Stock (B)	337 shs.	05/09/13	35,673	128,975
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	137 shs.	05/09/13	13,033	52,474
			3,694,040	3,967,341
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
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) 884 shs.		01/19/11	87,750	111,422
			2,899,250	3,102,481

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(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	\$ 1,249,125	03/26/12	\$ 1,218,053	\$ 1,260,389
Common Stock (B)	3,981 shs.	*	398,100	311,261
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	172 shs.	03/26/12	17,220	13,448
*03/26/12, 05/25/12 and 06/19/12.			1,633,373	1,585,098
Clough, Harbour and Associates				
An engineering service firm that is located in Albany, NY.				
Preferred Stock (B)	277 shs.	12/02/08	276,900	416,462
Connecticut Electric, Inc.				
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	109,522
Limited Liability Company Unit Class C (B)	112,873 uts.	01/12/07	112,873	84,896
Limited Liability Company Unit Class D (B)	1,268,437 uts.	05/03/10	—	1,388,290
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	—	—
			268,919	1,582,708
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	571,749
Preferred Stock Series C (B)	7,080 shs.	07/05/07	236,503	199,917
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	771,666
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	506,528
Crane Rental Corporation				

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A crane rental company since 1960,
headquartered in Florida.

13% Senior Subordinated Note due 2015	\$ 1,950,750	08/21/08	1,890,030	1,950,750
Common Stock (B)	255,000 shs.	08/21/08	255,000	217,002
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	136,070 shs.	08/21/08	194,826 2,339,856	115,794 2,283,546

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
CTM Holding, Inc.				
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 2019	\$ 2,389,103 62,088	11/22/13	\$ 2,343,613	\$ 2,432,770
Common Stock (B)	shs.	11/22/13	886,364 3,229,977	570,395 3,003,165
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	411,587
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	300,721
Common Stock (B)	72 shs.	10/27/09	72,238	12,648
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	53 shs.	10/27/09	48,608 613,548	9,241 734,197
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	\$ 3,189,623	05/04/12	3,139,302	3,035,025
Preferred Stock (B)	61 shs.	05/04/12	605,841	664,475
Common Stock (B)	61 shs.	05/04/12	67,316 3,812,459	121,569 3,821,069
Duncan Systems, Inc.				
A distributor of windshields and side glass for the recreational vehicle market.				
10% Senior Secured Term Note due 2015	\$ 45,000	11/01/06	45,000	44,669
13% Senior Subordinated Note due 2015	\$ 855,000	11/01/06	839,516	852,594
Common Stock (B) 180,000 shs.	180,000 shs.	11/01/06	180,000	56,643
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	56,514 shs.	11/01/06	78,160 1,142,676	17,784 971,690
E S P Holdco, Inc.				

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A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.

	660			
Common Stock (B)	shs.	01/08/08	329,990	404,657

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	2,612,917	2,878,500
Common Stock (B)	150 shs.	02/01/10	150,000	188,638
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	358 shs.	02/01/10	321,300 3,084,217	449,775 3,516,913

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 2,844,571	03/01/12	\$ 2,801,297	\$ 2,873,017
Common Stock (B)	122 shs.	03/01/12	272,727	287,662
			3,074,024	3,160,679
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	\$ 1,170,747	07/26/13	1,149,443	1,171,606
Common Stock	3,069 shs.	07/26/13	306,947	222,986
			1,456,390	1,394,592
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	598,904
Limited Liability Company Unit (B)	512 uts.	09/27/10	51,220	77,538
			226,255	676,442
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.				
Limited Liability Company Unit Class B-1 (B)	394,737 uts.	12/15/10	394,737	1,016,333
Limited Liability Company Unit Class B-2 (B)	49,488 uts.	12/15/10	49,488	127,417
Limited Liability Company Unit Class B-3 (B)	39,130 uts.	08/30/12	90,000	110,425
Limited Liability Company Unit Class C (B)	9,449 uts.	12/20/10	96,056	164,509
			630,281	1,418,684
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				
common stock at \$.01 per share (B)	594 shs.	10/19/10	140,875	272,559

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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	89,805
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Limited Liability Company Unit

Preferred (B)	182 uts.	10/05/12	182,209	197,274
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			184,049	287,079
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GenNx Novel Holding, Inc.

A manufacturer and distributor of nutraceutical ingredients.

13% Senior Subordinated Note due

2020	\$ 3,177,742	03/27/14	3,114,284	3,168,598
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Common Stock (B)

	315 shs.	03/27/14	315,000	299,250
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			3,429,284	3,467,848
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(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	\$ 2,771,734	03/27/13	\$ 2,723,666	\$ 2,760,940
Common Stock (B)	2,835 shs.	03/27/13	283,465	242,875
			3,007,131	3,003,815
Golden County Foods Holding, Inc. A manufacturer of frozen appetizers and snacks.				
14% Senior Subordinated Note due 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	—
GTI Holding Company A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.				
12% Senior Subordinated Note due 2020	\$ 1,455,729	02/05/14	1,354,684	1,465,457
Common Stock (B)	1,693 shs.	02/05/14	169,271	160,835
Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B)	795 shs.	02/05/14	73,633	8
			1,597,588	1,626,300
H M Holding Company A designer, manufacturer, and importer of promotional and wood furniture.				
7.5% Senior Subordinated Note due 2016 (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 2016, 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	—

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Handi Quilter Holding Company

A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.

Common Stock (B)	115 shs.	11/14/11	115,385	302,166
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Warrant, exercisable until 2021, to purchase

common stock at \$.01 per share (B)	83 shs.	11/14/11	76,788	216,326
			192,173	518,492

Hartland Controls Holding

Corporation

A manufacturer and distributor of electronic and electromechanical components.

14% Senior Subordinated Note due 2019	\$ 2,989,266	02/14/14	2,930,552	3,003,815
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Preferred Stock Series A (B)	5,169 shs.	02/14/14	516,852	491,009
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Common Stock (B)	1,666 shs.	02/14/14	1,667	1,583
			3,449,071	3,496,407

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Healthcare Direct Holding Company				
A direct-to-consumer marketer of discount dental plans.				
14% Senior Subordinated Note due 2019 (D)	\$ 2,184,095	03/09/12	\$ 2,147,454	\$ 2,074,890
16% Senior Subordinated PIK Note due 2019	136,324	03/31/14	136,324	129,507
Common Stock (B)	1,552 shs.	03/09/12	155,172	59,181
			2,438,950	2,263,578
HHI Group, LLC				
A developer, marketer, and distributor of hobby-grade radio control products.				
14% Senior Subordinated Note due 2020	\$ 3,059,401	01/17/14	2,999,790	3,079,909
Limited Liability Company Unit (B)	203 uts.	01/17/14	203,125	192,850
			3,202,915	3,272,759
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	1,592,156	1,691,184
Limited Liability Company Unit (B)	563 uts.	04/15/13	562,500	510,757
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	89,224 shs.	04/15/13	77,625	77,154
			2,232,281	2,279,095
Home Décor Holding Company				
A designer, manufacturer and marketer of framed art and wall décor products.				
Common Stock (B)	63 shs.	*	62,742	170,012
Warrant, exercisable until 2016, to purchase common stock at \$.02 per share (B)	200 shs.	*	199,501	540,604
			262,243	710,616
* 06/30/04 and 08/19/04.				
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	—	—

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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	2,008,937	2,053,193
Common Stock (B)	474 shs.	08/19/08	474,419	123,060
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	123 shs.	08/19/08	113,773	31,806
			2,597,129	2,208,059

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
HVAC Holdings, Inc.				
A provider of integrated energy efficiency services and maintenance programs for HVAC systems.				
14% Senior Subordinated Note due 2019				
	\$ 2,810,742	09/27/12	\$ 2,763,896	\$ 2,831,066
Preferred Stock Series A (B)	2,705 shs.	09/27/12	270,542	314,609
Common Stock (B)	2,185 shs.	09/27/12	2,185	11,014
			3,036,623	3,156,689
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	482,335
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	669,386
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	726,453
Preferred Stock B (B)	0.17 shs.	12/20/10	—	245
Common Stock (B)	100 shs.	12/20/10	5,000	369,858
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	36 shs.	12/20/10	316,930	341,815
			816,930	1,438,371
Janus Group Holdings LLC				
A manufacturer of roll-up doors and hallway systems that are primarily used in self-storage facilities.				
13.5% Senior Subordinated Note due 2019				
	\$ 2,684,783	12/11/13	2,633,119	2,727,823
Limited Liability Company Unit Class A (B)	565 shs.	12/11/13	565,217	583,849
			3,198,336	3,311,672
Jason Partners Holdings LLC				

A diversified manufacturing company serving various industrial markets.

Limited Liability Company

Unit (B)	90 uts.	09/21/10	848,275	349,535
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JMH Investors LLC

A developer and manufacturer of custom formulations for a wide variety of foods.

14.25% Senior Subordinated

Note due 2019	\$ 2,552,892	12/05/12	2,509,273	2,511,081
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Limited Liability Company

Unit (B)	521,739 uts.	12/05/12	521,739	287,656
			3,031,012	2,798,737

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
K & N Parent, Inc.				
A manufacturer and supplier of automotive aftermarket performance air filters and intake systems.				
14% Senior Subordinated Note due 2019				
	\$ 3,462,604	12/23/11	\$ 3,391,201	\$ 3,560,393
Preferred Stock Series A (B)	305 shs.	12/23/11	119,662	373,009
Preferred Stock Series B (B)	86 shs.	12/23/11	—	105,575
Common Stock (B)	391 shs.	12/23/11	19,565	138,932
			3,530,428	4,177,909
K N B Holdings Corporation				
A designer, manufacturer and marketer of products for the custom framing market.				
Common Stock (B)	134,210 shs.	05/25/06	134,210	87,785
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	82,357 shs.	05/25/06	71,534	53,869
			205,744	141,654
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.				
Common Stock (B)	698,478 shs.	12/10/10	698,478	780,906
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	150,356
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	197,001
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	96 shs.	07/16/08	96,024	42,654
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	128 shs.	09/17/09	—	56,682
			619,413	520,103
LPC Holding Company				

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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	441,990
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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	—
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Warrant, exercisable until 2018, to purchase

common stock at \$.01 per share (B)	66 shs.	09/12/08	65,571	—
			126,285	—

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 568,510
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3,375 shs.	05/04/07	43,031	79,586
* 05/04/07 and 01/02/08.			357,495	648,096
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	1,160,448	1,259,914
15% Senior Subordinated Note due 2018	\$ 335,153	10/05/10	331,026	331,356
Common Stock (B)	106 shs.	10/05/10	106,200	210,524
Common Stock Class B (B)	353 shs.	01/15/10	352,941	699,646
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	312 shs.	01/15/10	283,738	619,183
			2,234,353	3,120,623
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	*	3,184,612	3,352,486
Preferred Stock Series A (B)	4,164 shs.	09/07/10	416,392	1,222,187
Common Stock (B)	487 shs.	03/01/11	48,677	142,941
Common Stock (B)	458 shs.	09/07/10	45,845	134,429
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	310 shs.	03/01/11	30,975	90,989
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,158 shs.	09/07/10	115,870	339,888

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* 09/07/10 and 03/01/11. 3,842,371 5,282,920

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	152,234
Common Unit Class A (B)	1,268 uts.	08/29/08	1,268	114,746
Common Unit Class B (B)	497 uts.	08/29/08	120,064	45,014
			246,851	311,994

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	176,303
Limited Partnership Interest (B)	1.40% int.	09/16/08	388,983	782,464
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/24/08	33,268	117,262
			525,506	1,076,029

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$1,255,125	\$1,299,057
Limited Liability Company Unit Series B (B)	467,833 uts.	09/22/11	467,833	699,794
			1,722,958	1,998,851
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	—
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	—
MNX Holding Company				
An international third party logistics company providing customized logistics services to customers across the globe.				
14% Senior Subordinated Note due 2019	\$2,975,627	11/02/12	2,925,371	2,866,531
Common Stock (B)	107 shs.	11/02/12	107,143	40,405
			3,032,514	2,906,936
Motion Controls Holdings				
A manufacturer of high performance mechanical motion control and linkage products.				
14.25% Senior Subordinated Note due 2017	\$2,884,212	11/30/10	2,851,134	2,884,212
Limited Liability Company Unit Class B-1 (B)	281,250 uts.	11/30/10	—	249,914
Limited Liability Company Unit Class B-2 (B)	25,504 uts.	11/30/10	—	22,662
			2,851,134	3,156,788
NABCO, Inc.				
A producer of explosive containment vessels in the United States.				
Common Stock (B)	809 shs.	12/20/12	578,174	—

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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 2015	\$ 2,004,985	02/02/07	\$ 1,991,550	\$ 1,904,736
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	142,972
Limited Liability Company Unit Class D-2 of Saw Mill PCG Partners LLC (B)	128 uts.	04/29/11	65,256	236,806
* 12/18/08 and 09/30/09.			3,413,233	2,284,514
Newark Group, Inc. A major producer of paper products from recycled materials.				
Common Stock (B)	134,520 shs.	09/02/10	796,862	410,219
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	\$ 1,449,483	11/05/10	1,365,511	1,449,483
Limited Liability Company Unit Series B (B)	51,724 uts.	11/05/10	51,724	116,687
Limited Liability Company Unit Series B (B)	104,792 uts.	11/05/10	104,792	236,405
Limited Liability Company Unit Series F (B)	104,792 uts.	11/05/10	—	17,250
			1,522,027	1,819,825
Northwest Mailing Services, Inc. A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.				
Limited Partnership Interest (B)		*	328,679	276,719

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	3,287			
	uts.			
Warrant, exercisable until 2019, to purchase				
	4,920			
common stock at \$.01 per share (B)	shs.	*	492,016	414,234
* 07/09/09 and 08/09/10.			820,695	690,953
NT Holding Company				
A leading developer, manufacturer and provider of medical products used primarily in interventional pain management.				
	377			
Common Stock (B)	shs.	*	377,399	537,861
Warrant, exercisable until 2021, to purchase				
	176			
common stock at \$.01 per share (B)	shs.	02/02/11	158,961	251,201
*02/02/11 and 06/30/11.			536,360	789,062

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
O E C Holding Corporation				
A provider of elevator maintenance, repair and modernization services.				
13% Senior Subordinated Note due 2018	\$ 1,333,333	06/04/10	\$ 1,261,948	\$ 1,333,333
Preferred Stock Series A (B)	1,661 shs.	06/04/10	166,062	80,002
Preferred Stock Series B (B)	934 shs.	06/04/10	93,376	—
Common Stock (B)	1,032 shs.	06/04/10	1,032	—
			1,522,418	1,413,335
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	1,306,838
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	619 shs.	01/17/06	170,801	220,640
			742,916	1,527,478
P K C Holding Corporation				
A manufacturer of plastic film and badges for the general industrial, medical, and food industries.				
Preferred Stock Class A (B)	54 shs.	12/21/10	340,718	645,003
Common Stock (B)	54 shs.	12/21/10	25,500	138,127
			366,218	783,130
P P T Holdings LLC				
A high-end packaging solutions provider that targets customers who have multiple packaging needs, require a high number of low volume SKUs, short lead times, technical expertise, and overall supply chain management.				
15% Senior Subordinated Note due 2017	\$ 2,958,167	12/20/10	2,923,158	2,958,167
Limited Liability Company Unit Class A (B)	99 uts.	12/20/10	318,215	401,821
Limited Liability Company Unit Class B (B)	99 uts.	12/20/10	3,214	68,212
			3,244,587	3,428,200
Pacific Consolidated Holdings LLC				
A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in the global defense, oil and gas, and medical sectors.				
0% Senior Subordinated Note due 2014 (B)	\$ 79,688	12/18/12	—	79,688

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	—
Preferred Stock Series B (B)	13,334 shs.	05/22/09	547,872	—
Common Stock (B)	40,540 shs.	05/22/09	1,877,208	—
			2,536,588	—

Petroplex Inv Holdings LLC

A leading provider of acidizing services to E&P customers in the Permian Basin.

16% Senior Subordinated Note due 2018	\$ 2,770,541	11/29/12	2,715,941	2,860,340
Limited Liability Company Unit (B)	1 ut.	11/29/12	375,000	404,782
			3,090,941	3,265,122

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Postle Aluminum Company LLC A manufacturer and distributor of aluminum extruded products.				
Limited Liability Company Unit Class A (B)	1,384 uts.	10/02/06	\$ 510,000	\$ 553,368
Limited Liability Company Unit (B)	1,506 uts.	05/22/09	—	140,697
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share				
(B)	8,595 shs.	10/02/06	124,644 634,644	1,462,034 2,156,099
Precision Wire Holding Company A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical procedures.				
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)				
	206 shs.	11/12/09	203,944	300,317
R A J Manufacturing Holdings LLC A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.				
8% Senior Subordinated Note due 2017				
	\$ 94,270	01/02/14	410,667	94,270
Preferred Stock Series B-1 (B)	18 shs.	01/02/14	707,024	548,347
Common Stock (B)	10 shs.	01/02/14	414,787	—
Limited Liability Company Unit (B)	2,828 uts.	12/15/06	282,810	—
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share				
(B)	3 shs.	12/15/06	131,483 1,946,771	— 642,617
REVSpring, Inc. A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries.				

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14% Senior Subordinated Note due 2018	\$ 3,499,614	*	3,452,857	3,536,966
Limited Liability Company Unit Class A (B)	40,643 uts.	*	406,432	463,202
* 10/21/11 and 08/03/12.			3,859,289	4,000,168

Rose City Holding Company

A designer and printer of folding cartons and packaging for food and beverage manufacturers on the West Coast.

Preferred Stock (B)	93,749 shs.	12/11/12	93,749	104,198
Common Stock (B)	94 shs.	12/11/12	9	73,135
			93,758	177,333

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.

15% Senior Subordinated Note due 2018	\$ 2,531,250	*	2,501,497	2,556,563
Preferred Stock (B)	6,294 shs.	03/30/12	251,758	296,269
Common Stock (B)	2,949 shs.	03/30/12	29,492	99,605
* 03/30/12 and 05/16/13.			2,782,747	2,952,437

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Sencore Holding Company				
A designer, manufacturer, and marketer of decoders, receivers and modulators sold to broadcasters, satellite, cable and telecom operators for encoding/decoding analog and digital transmission video signals.				
12.5% Senior Subordinated Note due 2014 (D)				
	\$ 2,561,730	01/15/09	\$ 1,560,231	\$ —
Signature Systems Holdings Company				
A seller and installer of a variety of modular surfaces, industrial matting and related products used for ground protection.				
12.5% Senior Subordinated Note due 2021				
	\$ 1,812,211	03/15/13	1,716,171	1,845,981
Common Stock (B)				
	181 shs.	03/15/13	181,221	193,263
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)				
	74 shs.	03/15/13	67,958	78,950
			1,965,350	2,118,194
Smart Source Holdings LLC				
A short-term computer rental company.				
Limited Liability Company Unit (B)				
	619 uts.	*	493,496	806,076
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)				
	157 shs.	*	127,437	204,206
			620,933	1,010,282
* 08/31/07 and 03/06/08.				
SMB Machinery Holdings, Inc.				
A reseller of used, rebuilt and refurbished packaging and processing equipment, primarily serving the bottling and food manufacturing industries.				
14% Senior Subordinated Note due 2019				
	\$ 1,470,038	10/18/13	1,442,346	1,458,322
Common Stock (B)				
	1,681 shs.	10/18/13	168,100	41,883
			1,610,446	1,500,205
Snacks Parent Corporation				
The world's largest provider of trail mixes and a leading provider of snack nuts, dried fruits, and other healthy snack products.				
	\$ 2,696,065	11/12/10	2,588,196	2,696,065

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13% Senior Subordinated Note
due 2020

Preferred Stock A (B)	3,395 shs.	11/12/10	301,503	253,777
Preferred Stock B (B)	1,575 shs.	11/12/10	—	117,762
Common Stock (B)	19,737 shs.	11/12/10	19,737	102,110
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	5,418 shs.	11/12/10	5,418 2,914,854	28,032 3,197,746

SouthernCare Holdings, Inc.

A hospice company providing palliative care services to terminally ill patients.

Common Stock (B)	2,727 shs.	12/01/11	272,727	325,241
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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Spartan Foods Holding Company A manufacturer of branded pizza crusts and pancakes. 14.25% Senior Subordinated Note due 2017	\$ 2,267,934	12/15/09	\$ 2,066,291	\$ 2,270,514
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	257 shs.	12/15/09	227,109 2,293,400	120,884 2,391,398
Specialty Commodities, Inc. A distributor of specialty food ingredients. Common Stock (B)	30 shs.	10/23/08	300,000	826,571
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	11 shs.	10/23/08	100,650 400,650	314,097 1,140,668
Stag Parkway Holding Company A distributor of RV parts and accessories in the United States. 13% Senior Subordinated Note due 2018	\$ 2,751,274	12/19/12	2,642,626	2,791,354
Common Stock (B)	284 shs.	12/19/12	283,688	326,793
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	83 shs.	12/19/12	76,435 3,002,749	95,968 3,214,115
Strahman Holdings Inc 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 2020	\$ 2,119,565	12/13/13	2,078,254	2,151,608
Preferred Stock A (B)	317,935 shs.	12/13/13	317,935 2,396,189	437,078 2,588,686
Strata/WLA Holding Corporation				

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A leading independent anatomic pathology laboratory that conducts over 320,000 tests annually to customers in 40 U.S. states and in Canada and Venezuela.

14.5% Senior Subordinated Note due 2018 (D)	\$ 2,877,446	07/01/11	2,831,111	—
Preferred Stock Series A (B)	228 shs.	07/01/11	228,137	—
			3,059,248	—

Sundance Investco LLC

A provider of post-production services to producers of movies and television shows.

Limited Liability Company Unit Class A (B)	6,429 shs.	03/31/10	—	—
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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 2017	\$ 3,084,404	12/14/10	2,972,584	3,064,243
14% Senior Subordinated PIK Note due 2017	\$ 281,430	08/17/12	273,272	279,591
Common Stock (B)	115 shs.	12/14/10	114,504	65,372
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	112 shs.	12/14/10	111,747	63,802
			3,472,107	3,473,008

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Synteract Holdings Corporation				
A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.				
14% Senior Subordinated Note due 2019	\$ 3,572,827	09/02/08	\$ 3,457,908	\$ 3,215,545
Preferred Stock Series D (B)	485 shs.	02/27/13	48,503	—
Redeemable Preferred Stock Series A (B)	1,280 shs.	09/02/08	12,523	—
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	12,803 shs.	09/02/08	112,693	—
			3,631,627	3,215,545
Terra Renewal LLC				
A provider of wastewater residual management and required environmental reporting, permitting, nutrient management planning and record keeping to companies involved in poultry and food processing.				
12% Senior Subordinated Note due 2016 (D)	\$ 613,982	*	16,334	552,584
Common Stock Class B	55 shs.	*	—	—
Limited Partnership Interest of Saw Mill Capital Fund V, LLC (B)	3.97% int.	**	114,424	—
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	72 shs.	04/28/06	59,041	—
			189,799	552,584
* 04/28/06 and 09/13/06.				
** 03/01/05 and 10/10/08.				
Torrent Group Holdings, Inc.				
A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow.				
15% Senior Subordinated Note due 2020(D)	\$ 88,396	12/05/13	414,051	—
3% Senior Subordinated Note due 2018 (D)	\$ 2,006,491	12/05/13	—	—
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	53,038 shs.	12/05/13	—	—
			414,051	—
Transpac Holding Company				

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A designer, importer and wholesaler of home décor and seasonal gift products.

12% Senior Subordinated

Note due 2015 (D)	\$ 1,773,006	10/31/07	1,717,521	1,595,705
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	1,595,705

Tranzonic Holdings LLC

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 2019	\$ 2,998,256	07/05/13	2,944,036	3,039,420
Limited Liability Company Unit Class A (B)	295,455 shs.	07/05/13	295,455	314,315
			3,239,491	3,353,735

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Truck Bodies & Equipment International				
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.				
12% Senior Subordinated				
Note due 2016	\$ 1,373,340	*	\$ 1,346,364	\$ 1,373,340
Preferred Stock Series B (B)	241 shs.	10/20/08	241,172	982,757
Common Stock (B)	742 shs.	*	800,860	—
Warrant, exercisable until 2017, to purchase common stock at \$.02 per share (B)	153 shs.	*	159,894	—
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) * 07/19/05 and 12/22/05.	1,054 shs.	10/20/08	— 2,548,290	— 2,356,097
TruStile Doors, Inc.				
A manufacturer and distributor of interior doors.				
Limited Liability Company				
Unit (B)	11,775 uts.	02/28/11	156,250	387,778
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	5,781 shs.	04/11/03	68,059 224,309	92,285 480,063
U-Line Corporation				
A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration appliances.				
Common Stock (B)	182 shs.	04/30/04	182,200	297,513
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	230 shs.	04/30/04	211,736 393,936	376,251 673,764
U M A Enterprises, Inc.				
An importer and wholesaler of home décor products.				

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Convertible Preferred Stock (B)	887 shs.	02/08/08	886,956	2,594,204
Vitex Packaging Group, Inc. 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	146,992
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	146,992
VP Holding Company A provider of school transportation services for special-needs and homeless children in Massachusetts. 13% Senior Subordinated				
Note due 2020	\$ 1,013,158	03/31/14	992,901	1,011,776
Common Stock (B)	7,368 shs.	03/31/14	736,842	700,000
			1,729,743	1,711,776

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Wellborn Forest Holding Company				
A manufacturer of semi-custom kitchen and bath cabinetry.				
12.13% Senior Subordinated Note due 2016 (D)				
	\$ 1,721,250	11/30/06	\$ 1,638,669	\$ —
Common Stock (B)	191 shs.	11/30/06	191,250	—
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	95 shs.	11/30/06	—	—
			86,493	—
			1,916,412	—
Wheaton Holding Corporation				
A distributor and manufacturer of laboratory supply products and packaging.				
Preferred Stock Series B (B)	2,109 shs.	06/08/10	210,924	301,481
Common Stock (B)	1,058 shs.	06/08/10	1,058	93,118
			211,982	394,599
Whitcraft Holdings, Inc.				
A leading independent manufacturer of precision formed, machined, and fabricated flight-critical aerospace components.				
12% Senior Subordinated Note due 2018				
	\$ 2,383,562	12/16/10	2,245,217	2,350,759
Common Stock (B)	616 shs.	12/16/10	616,438	223,660
Warrant, exercisable until 2018, to purchase common stock at \$.02 per share (B)	166 shs.	12/16/10	148,003	60,098
			3,009,658	2,634,517
WP Supply Holding Corporation				
A distributor of fresh fruits and vegetables to grocery wholesalers and foodservice distributors in the upper Midwest.				
14.5% Senior Subordinated Note due 2018				
	\$ 2,707,939	11/03/11	2,668,948	2,762,098
Common Stock (B)	4,500 shs.	11/03/11	450,000	546,841
			3,118,948	3,308,939

Total Private Placement Investments (E)	\$ 202,807,934	\$ 200,831,121
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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

	Interest		Due	Principal		Market
Corporate Restricted Securities: (A) (Continued)	Rate		Date	Amount	Cost	Value
Rule 144A Securities - 17.56%:						
Bonds - 17.51%						
ADT Corporation	6.250	%	10/15/21	\$ 1,000,000	\$ 1,036,417	\$ 1,027,500
Alliant Techsystems Inc.	5.250		10/01/21	1,000,000	1,000,000	1,027,500
Antero Resources Corporation	5.375		11/01/21	800,000	800,000	812,000
Ashtead Group plc	6.500		07/15/22	385,000	407,480	418,689
Beverage Packaging Holdings	6.000		06/15/17	730,000	730,000	755,550
Calpine Corporation	7.500		02/15/21	600,000	613,932	655,500
Chrysler Group, LLC	8.000		06/15/19	415,000	448,438	454,425
Chrysler Group, LLC	8.250		06/15/21	415,000	457,900	469,468
Commercial Vehicle Group Inc.	7.875		04/15/19	989,000	1,016,060	1,014,961
Commscope Holdings Inc.	6.625		06/01/20	500,000	501,166	528,750
Cooper-Standard Automotive	7.375		04/01/18	1,000,000	1,006,281	1,023,760
Cornerstone Chemical Company	9.375		03/15/18	750,000	767,101	795,000
CTP Transportation Products, LLC	8.250		12/15/19	635,000	635,000	684,213
Energy Future Holdings	10.250		12/01/20	400,000	403,405	421,500
Exopack LLC	7.875		11/01/19	1,000,000	1,000,000	1,060,000
Ferrellgas Partners, L.P	6.750		01/15/22	465,000	465,000	484,762
FMG Resources	6.875		04/01/22	1,000,000	964,689	1,077,500
Forest Laboratories, Inc.	4.875		02/15/21	1,000,000	1,000,000	1,057,500
Forest Laboratories, Inc.	5.000		12/15/21	775,000	775,000	819,563
Forum Energy Technologies	6.250		10/01/21	325,000	325,000	344,500
Hercules Offshore, Inc.	7.500		10/01/21	1,000,000	1,000,000	1,010,000
Hilcorp Energy Company	7.625		04/15/21	725,000	698,593	793,875
Hilton Worldwide Holdings, Inc.	5.625		10/15/21	1,000,000	1,000,000	1,045,000
Hovnanian Enterprises, Inc.	7.250		10/15/20	1,000,000	1,000,000	1,085,000
Hub International Ltd.	7.875		10/01/21	1,000,000	1,000,000	1,067,500
Icahn Enterprises L.P.	4.875		03/15/19	970,000	970,000	986,975

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Icahn Enterprises L.P.	6.000	08/01/20	1,150,000	1,172,426	1,219,000
INEOS Group Holdings PLC	5.875	02/01/19	485,000	485,000	495,306
International Automotive Component	9.125	06/01/18	1,000,000	958,542	1,055,000
J.B. Poindexter Co., Inc.	9.000	04/01/22	1,000,000	1,050,160	1,070,000
JBS USA Holdings, Inc.	7.750	10/28/20	750,000	790,217	790,313
Jurassic Holdings III Inc	6.875	02/15/21	1,000,000	1,009,587	1,030,000
Lamar Media Corporation	5.375	01/15/24	320,000	320,000	328,000
LBC Tank Terminals Holding Netherlands B.V.	6.875	05/15/23	1,315,000	1,355,758	1,403,763
Lear Corporation	4.750	01/15/23	750,000	736,186	731,250
MEG Energy Corporation	7.000	03/31/24	1,000,000	1,000,000	1,057,500

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost	Market Value
Meritor, Inc.	7.875 %	03/01/26	\$ 669,000	\$ 663,403	\$ 1,021,061
Milacron Financial	7.750	02/15/21	500,000	500,000	540,000
Mustang Merger Corporation	8.500	08/15/21	1,000,000	997,606	1,095,000
Niska Gas Storage Partners LLC	6.500	04/01/19	1,000,000	1,000,000	985,000
NRG Energy, Inc.	6.250	07/15/22	1,000,000	1,000,000	1,030,000
NXP BV/NXP Funding LLC	3.750	06/01/18	1,500,000	1,500,000	1,507,500
Oasis Petroleum Inc.	6.875	03/15/22	1,000,000	1,000,000	1,082,500
Pinnacle Operating Corporation	9.000	11/15/20	1,000,000	1,045,446	1,080,000
Prestige Brands Holdings, Inc.	5.375	12/15/21	1,350,000	1,350,000	1,382,062
RKI Inc.	8.500	08/01/21	1,000,000	1,004,718	1,080,000
Roofing Supply	10.000	06/01/20	975,000	1,098,080	1,089,563
Safeway Group Holding LLC/Finance Corporation	7.000	05/15/18	500,000	500,000	532,500
Select Medical Corporation	6.375	06/01/21	650,000	659,688	659,750
Sirius XM Radio Inc.	5.875	10/01/20	750,000	750,000	789,375
Sprint Corporation	7.125	06/15/24	315,000	315,000	330,750
Tesoro Logistics LP	5.875	10/01/20	1,000,000	1,021,695	1,045,000
Topaz Marine S.A.	8.625	11/01/18	1,000,000	1,000,000	1,050,000
Univision Communications, Inc.	5.125	05/15/23	325,000	325,000	332,312
Valeant Pharmaceuticals International	6.750	10/01/17	70,000	69,785	74,025
Valeant Pharmaceuticals International	7.000	10/01/20	880,000	881,481	952,600
Welltec A/S	8.000	02/01/19	750,000	738,363	798,750
Total Bonds				46,319,603	48,558,871

Convertible Preferred Stock - 0.00%

ETEX Corporation (B)			777	—	—
				—	—

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Total Convertible Preferred
Stock

Preferred Stock - 0.05%

Ally Financial	143	45,009	141,239
TherOX, Inc. (B)	103	—	—
Total Preferred Stock		45,009	141,239

Common Stock - 0.00%

Touchstone Health Partnership (B)	1,168	—	—
Total Common Stock		—	—

Total 144A Securities 46,364,612 48,700,110

Total Corporate Restricted Securities \$ 249,172,546 \$ 249,531,231

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Public Securities -18.97%: (A)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Bank Loans - 0.55%					
Aquilex Holdings LLC	\$ 5.250	% 12/31/20	\$ 297,921	\$ 297,196	\$ 298,791
Synarc-BioCore Holdings, LLC	9.250	03/04/22	1,000,000	990,028	995,000
Triple Point Technology, Inc.	9.250	07/09/21	259,223	223,825	236,541
Total Bank Loans				1,511,049	1,530,332
Bonds - 18.05%					
AAR Corporation	7.250	% 01/15/22	\$ 2,000,000	\$ 2,113,905	\$ 2,165,000
Accuride Corp	9.500	08/01/18	1,500,000	1,532,833	1,537,500
Ally Financial, Inc.	5.500	02/15/17	1,500,000	1,521,873	1,627,500
Alta Mesa Financial Services	9.625	10/15/18	1,500,000	1,501,188	1,612,500
American Axle & Manufacturing, Inc.	5.125	02/15/19	240,000	240,000	249,900
Arch Coal, Inc.	7.000	06/15/19	150,000	150,000	115,875
Avis Budget Car Rental	9.750	03/15/20	750,000	750,000	863,438
B E Aerospace, Inc.	6.875	10/01/20	850,000	866,767	932,875
Braskem Finance Ltd.	6.450	02/03/24	815,000	815,000	834,356
Calumet Specialty Products Partners L.P.	7.625	01/15/22	740,000	728,469	784,400
Calumet Specialty Products Partners L.P.	9.375	05/01/19	1,500,000	1,508,172	1,704,375
CCO Holdings Capital Corporation	5.750	01/15/24	1,000,000	965,488	992,500
CCO Holdings Capital Corporation	7.250	10/30/17	750,000	762,799	794,062
Cimarex Energy Co.	5.875	05/01/22	1,000,000	1,074,003	1,085,000
CIT Group Inc.	3.875	02/19/19	1,000,000	1,000,000	1,010,942
CHC Helicopter SA	9.375	06/01/21	1,500,000	1,500,000	1,590,000
Chemtura Corporation	7.875	09/01/18	500,000	521,590	532,500
Clearwater Paper Corporation	4.500	02/01/23	750,000	743,111	721,875
Coeur d'Alene Mines Corporation	7.875	02/01/21	1,000,000	1,003,514	1,005,000
Commercial Metals Company	4.875	05/15/23	1,500,000	1,502,932	1,440,000
Cooper-Standard Automotive	8.500	05/01/18	750,000	785,281	785,632

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CVR Refining LLC	6.500	11/01/22	650,000	628,301	684,125
Energy Transfer Equity LP	7.500	10/15/20	100,000	100,000	114,375
Fidelity National Information	7.875	07/15/20	125,000	125,000	134,471
First Data Corporation	11.750	08/15/21	1,000,000	1,000,000	1,050,000
Halcón Resources Corporation	9.750	07/15/20	1,000,000	1,049,419	1,077,500
Headwaters, Inc.	7.625	04/01/19	850,000	850,171	915,875
HCA Holdings, Inc.	3.750	03/15/19	1,000,000	1,000,000	1,003,750
Hornbeck Offshore Services, Inc.	5.000	03/01/21	500,000	500,000	491,250
Huntington Ingalls Industries	7.125	03/15/21	750,000	774,990	827,813
Lennar Corporation	4.750	11/15/22	750,000	739,262	729,375
Linn Energy, LLC	8.625	04/15/20	1,000,000	1,009,294	1,086,250
Magnum Hunter Resources, Corp.	9.750	05/15/20	1,500,000	1,567,975	1,661,250

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Public Securities: (A) (Continued)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Meritor, Inc.	6.750 %	06/15/21	\$ 1,000,000	\$ 1,000,000	\$ 1,057,500
Michael Foods, Inc.	9.750	07/15/18	75,000	75,000	80,062
Midstates Petroleum Company, Inc.	9.250	06/01/21	1,000,000	1,000,000	1,045,000
Neustar, Inc.	4.500	01/15/23	750,000	727,588	650,625
Nexeo Solutions LLC	8.375	03/01/18	40,000	40,000	40,400
Nielsen Finance LLC	4.500	10/01/20	1,000,000	1,000,000	1,007,500
Nuveen Investments	5.500	09/15/15	1,500,000	1,436,023	1,522,500
Omnova Solutions, Inc.	7.875	11/01/18	1,500,000	1,523,020	1,601,250
Perry Ellis International, Inc.	7.875	04/01/19	750,000	744,061	785,625
Precision Drilling Corporation	6.625	11/15/20	750,000	769,542	802,500
Quebecor Media, Inc.	7.750	03/15/16	570,000	557,132	571,425
Regency Energy Partners LP	5.875	03/01/22	835,000	821,434	866,313
Rosetta Resources Inc.	5.875	06/01/22	1,000,000	1,000,000	1,022,500
Stone Energy Corporation	7.500	11/15/22	1,000,000	1,029,157	1,082,500
Suburban Propane Partners, L.P.	7.500	10/01/18	168,000	176,035	178,500
Thermadyne Holdings Corporation	9.000	12/15/17	681,000	712,064	730,373
T-Mobile USA Inc.	6.464	04/28/19	700,000	711,892	749,000
T-Mobile USA Inc.	6.731	04/28/22	450,000	445,147	482,063
T-Mobile USA Inc.	6.836	04/28/23	135,000	132,242	144,787
Tomkins, Inc.	9.250	10/01/18	79,000	79,000	84,826
Tronox Finance LLC	6.375	08/15/20	750,000	733,284	770,625
Unit Corporation	6.625	05/15/21	1,000,000	989,337	1,060,000
Venoco, Inc.	8.875	02/15/19	500,000	507,242	505,000
Visteon Corporation	6.750	04/15/19	160,000	160,000	168,200
Xerium Technologies, Inc.	8.875	06/15/18	831,000	869,107	887,093
Total Bonds				48,169,644	50,057,431

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Corporate Public Securities: (A) (Continued)	Interest Rate	Due Date	Shares	Cost	Market Value
Common Stock - 0.37%					
Bally Total Fitness Holding Corporation (B) (F)			15	\$ —	\$ —
Chase Packaging Corporation			9,541	—	477
Intrepid Potash, Inc. (B)			365	11,680	5,643
Nortek, Inc.			175	1	14,387
Supreme Industries, Inc. (B)			131,371	267,319	1,012,870
Total Common Stock				279,000	1,033,377
Total Corporate Public Securities				\$ 49,959,693	\$ 52,621,140
Total Investments	108.96 %			\$ 299,132,239	\$ 302,152,371
Other Assets	3.14				8,696,770
Liabilities	(12.10)				(33,550,306)
Total Net Assets	100.00 %				\$ 277,298,835

(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) Variable rate security; rate indicated is as of March 31, 2014.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of March 31, 2014, the value of these securities amounted to \$200,831,121 or 72.43% 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

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Industry Classification:	Fair Value/ Market Value	Fair Value/ Market Value
AEROSPACE - 3.16%		
AAR Corporation	\$ 2,165,000	
Alliant Techsystems Inc.	1,027,500	
	932,875	
B E Aerospace, Inc.	1,998,851	
Merex Holding Corporation	2,634,517	
Whitcraft Holdings, Inc.	8,758,743	
AUTOMOBILE - 9.48%		
Accuride Corp	1,537,500	
American Axle & Manufacturing, Inc.	249,900	
Avis Budget Car Rental	863,438	
CG Holdings Manufacturing Company	3,967,341	
Chrysler Group, LLC	923,893	
Commercial Vehicle Group Inc.	1,014,961	
Cooper-Standard Automotive	1,809,392	
DPL Holding Corporation	3,821,069	
Ideal Tridon Holdings, Inc.	482,335	
International Automotive Component	1,055,000	
J A C Holding Enterprises, Inc.	1,438,371	
Jason Partners Holdings LLC	349,535	
K & N Parent, Inc.	4,177,909	
Lear Corporation	731,250	
Meritor, Inc.	2,078,561	
Ontario Drive & Gear Ltd.	1,527,478	
Tomkins, Inc.	84,826	
Visteon Corporation	168,200	
	26,280,959	
BEVERAGE, DRUG & FOOD - 8.43%		
1492 Acquisition LLC	2,018,168	
Eatem Holding Company	3,516,913	
F F C Holding Corporation	676,442	
BROADCASTING & ENTERTAINMENT - 0.12%		
Lamar Media Corporation		\$ 328,000
BUILDINGS & REAL ESTATE - 2.27%		
Hovnanian Enterprises, Inc.		1,085,000
Lennar Corporation		729,375
Safway Group Holding LLC/Finance Corporation		532,500
Sunrise Windows Holding Company		3,473,008
TruStile Doors, Inc.		480,063
CHEMICAL, PLASTICS & RUBBER - 2.36%		
Capital Specialty Plastics, Inc.		1,068,503
Cornerstone Chemical Company		795,000
INEOS Group Holdings PLC		495,306
Nicoat Acquisitions LLC		1,819,825
Omnova Solutions, Inc.		1,601,250
Tronox Finance LLC		770,625
CONSUMER PRODUCTS - 9.96%		
AMS Holding LLC		452,405
Baby Jogger Holdings LLC		3,268,734
Bravo Sports Holding Corporation		2,209,222
Clearwater Paper Corporation		721,875
Custom Engineered Wheels, Inc.		734,197
gloProfessional Holdings, Inc.		3,003,815
GTI Holding Company		1,626,300
Handi Quilter Holding Company		518,492
HHI Group, LLC		3,272,759
K N B Holdings Corporation		141,654
Manhattan Beachwear Holding Company		3,120,623

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GenNx Novel Holding, Inc.	3,467,848	NXP BV/NXP Funding LLC	1,507,500
Hospitality Mints Holding Company	2,208,059	Perry Ellis International, Inc.	785,625
JBS USA Holdings, Inc.	790,313	Prestige Brands Holdings, Inc.	1,382,062
JMH Investors LLC	2,798,737	R A J Manufacturing Holdings LLC	642,617
Michael Foods, Inc.	80,062	Tranzonic Holdings LLC	3,353,735
Pinnacle Operating Corporation	1,080,000	Xerium Technologies, Inc.	887,093
Snacks Parent Corporation	3,197,746		27,628,708
Spartan Foods Holding Company	2,391,398		
Specialty Commodities, Inc.	1,140,668		
	23,366,354		

See Notes to Consolidated Financial Statements.

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value	
CONTAINERS, PACKAGING & GLASS - 2.45%		DIVERSIFIED/CONGLOMERATE, SERVICE - 9.92%	
Beverage Packaging Holdings	\$ 755,550	A S C Group, Inc.	\$ 2,720,917
Chase Packaging Corporation	477	A W X Holdings Corporation	367,500
P K C Holding Corporation	783,130	ADT Corporation	1,027,500
P P T Holdings LLC	3,428,200	Advanced Technologies Holdings	1,558,563
Rose City Holding Company	177,333	Apex Analytix Holding Corporation	843,860
SMB Machinery Holdings, Inc.	1,500,205	Church Services Holding Company	1,585,098
Vitex Packaging Group, Inc.	146,992	Clough, Harbour and Associates	416,462
	6,791,887	Crane Rental Corporation	2,283,546
DISTRIBUTION - 6.45%		ELT Holding Company	3,160,679
ARI Holding Corporation	3,480,464	EPM Holding Company	1,394,592
Blue Wave Products, Inc.	1,708,556	Hilton Worldwide Holdings, Inc.	1,045,000
BP SCI LLC	3,078,372	Hub International Ltd.	1,067,500
Duncan Systems, Inc.	971,690	HVAC Holdings, Inc.	3,156,689
Signature Systems Holdings Company	2,118,194	Insurance Claims Management, Inc.	669,386
Stag Parkway Holding Company	3,214,115	Mail Communications Group, Inc.	648,096
WP Supply Holding Corporation	3,308,939	Nexeo Solutions LLC	40,400
	17,880,330	Northwest Mailing Services, Inc.	690,953
DIVERSIFIED/CONGLOMERATE, MANUFACTURING - 10.82%		Roofing Supply	1,089,563
A H C Holding Company, Inc.	410,816	Safety Infrastructure Solutions	2,952,437
Advanced Manufacturing Enterprises LLC	2,859,111	Sirius XM Radio Inc.	789,375
Arrow Tru-Line Holdings, Inc.	653,943		27,508,116
C D N T, Inc.	1,110,321	ELECTRONICS - 0.57%	
CTP Transportation Products, LLC	684,213	Connecticut Electric, Inc.	1,582,708
F G I Equity LLC	1,418,684		
G C Holdings	272,559	FINANCIAL SERVICES - 6.06%	
Hartland Controls Holding Corporation	3,496,407	Ally Financial, Inc.	1,768,739
Hi-Rel Group LLC	2,279,095	Alta Mesa Financial Services	1,612,500
Janus Group Holdings LLC	3,311,672	Ashtead Group plc	418,689
J.B. Poindexter Co., Inc.	1,070,000	Braskem Finance Ltd.	834,356
K P H I Holdings, Inc.	780,906	CIT Group Inc.	1,010,942
K P I Holdings, Inc.	520,103	Icahn Enterprises L.P.	2,205,975
LPC Holding Company	441,990	Jurassic Holdings III Inc	1,030,000
		LBC Tank Terminals Holding	
MEGTEC Holdings, Inc.	1,076,029	Netherlands B.V.	1,403,763
Mustang Merger Corporation	1,095,000	Nielsen Finance LLC	1,007,500
Nortek, Inc.	14,387	Nuveen Investments	1,522,500
O E C Holding Corporation	1,413,335	REVSpring, Inc.	4,000,168

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Postle Aluminum Company LLC	2,156,099	16,815,132
Strahman Holdings Inc	2,588,686	
Truck Bodies & Equipment International	2,356,097	
	30,009,453	

See Notes to Consolidated Financial Statements.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value		Fair Value/ Market Value
HEALTHCARE, EDUCATION & CHILDCARE - 5.41%		MEDICAL DEVICES/BIOTECH - 1.09%	
American Hospice Management Holding LLC \$	\$ 2,739,654	Chemtura Corporation	\$ 532,500
CHG Alternative Education Holding Company	3,114,569	Halcón Resources Corporation	1,077,500
GD Dental Services LLC	287,079	MedSystems Holdings LLC	311,994
Healthcare Direct Holding Company	2,263,578	NT Holding Company	789,062
HCA Holdings, Inc.	1,003,750	Precision Wire Holding Company	300,317
Select Medical Corporation	659,750		3,011,373
		MINING, STEEL, IRON & NON-PRECIOUS METALS - 1.27%	
SouthernCare Holdings, Inc.	325,241	Coeur d'Alene Mines Corporation	1,005,000
Synarc-BioCore Holdings, LLC	995,000	Commercial Metals Company	1,440,000
Synteract Holdings Corporation	3,215,545	FMG Resources	1,077,500
Wheaton Holding Corporation	394,599		3,522,500
	14,998,765		
HOME & OFFICE FURNISHINGS, HOUSEWARES & DURABLE CONSUMER PRODUCTS - 2.29%		NATURAL RESOURCES - 0.37%	
Connor Sport Court International, Inc.	771,666	Arch Coal, Inc.	115,875
Home Décor Holding Company	710,616	Headwaters, Inc.	915,875
Transpac Holding Company	1,595,705	Intrepid Potash, Inc.	5,643
U M A Enterprises, Inc.	2,594,204		1,037,393
U-Line Corporation	673,764		
	6,345,955	OIL & GAS - 11.16%	
LEISURE, AMUSEMENT & ENTERTAINMENT - 1.08%		Antero Resources Corporation	812,000
CTM Holding, Inc.	3,003,165	Calumet Specialty Products Partners L.P.	2,488,775
		Cimarex Energy Co.	1,085,000
MACHINERY - 5.28%		CVR Refining LLC	684,125
ABC Industries, Inc.	1,646,247	Energy Transfer Equity LP	114,375
Arch Global Precision LLC	3,973,609	Exopack LLC	1,060,000
E S P Holdco, Inc.	404,657	Forum Energy Technologies	344,500
Milacron Financial	540,000	Hercules Offshore, Inc.	1,010,000
Motion Controls Holdings	3,156,788	Hilcorp Energy Company	793,875
NetShape Technologies, Inc.	2,284,514	Hornbeck Offshore Services, Inc.	491,250
	79,688	Linn Energy, LLC	1,086,250

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Pacific Consolidated Holdings

LLC			
Supreme Industries, Inc.	1,012,870	Magnum Hunter Resources, Corp.	1,661,250
Thermadyne Holdings Corporation	730,373	MBWS Ultimate Holdco, Inc.	5,282,920
Welltec A/S	798,750		
	14,627,496		

See Notes to Consolidated Financial Statements.

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value		Fair Value/ Market Value
		TELECOMMUNICATIONS -	
		1.97%	
MEG Energy Corporation	\$ 1,057,500		
Midstates Petroleum Company, Inc.	1,045,000	All Current Holding Company	\$ 455,459
Niska Gas Storage Partners LLC	985,000	CCO Holdings Capital Corporation	1,786,562
Oasis Petroleum Inc.	1,082,500	Commscope Holdings Inc.	528,750
Petroplex Inv Holdings LLC	3,265,122	Neustar, Inc.	650,625
Precision Drilling Corporation	802,500	Sprint Corporation	330,750
Regency Energy Partners LP	866,313	T-Mobile USA Inc.	1,375,850
RKI Inc.	1,080,000	Univision Communications, Inc.	332,312
Rosetta Resources Inc.	1,022,500		5,460,308
Stone Energy Corporation	1,082,500	TRANSPORTATION - 3.29%	
Suburban Propane Partners, L.P.	178,500	CHC Helicopter SA	1,590,000
Unit Corporation	1,060,000	MXN Holding Company	2,906,936
Venoco, Inc.	505,000	Huntington Ingalls Industries	827,813
	30,946,755	Tesoro Logistics LP	1,045,000
PHARMACEUTICALS - 1.23%		Topaz Marine S.A.	1,050,000
CorePharma LLC	506,528	VP Holding Company	1,711,776
Forest Laboratories, Inc.	1,877,063		9,131,525
Valeant Pharmaceuticals International	1,026,625	UTILITIES - 0.76%	
	3,410,216	Calpine Corporation	655,500
PUBLISHING/PRINTING - 0.35%		Energy Future Holdings	421,500
Newark Group, Inc.	410,219	NRG Energy, Inc.	1,030,000
Quebecor Media, Inc.	571,425		2,107,000
	981,644	WASTE MANAGEMENT/POLLUTION - 0.31%	
RETAIL STORES - 0.17%		Aquilex Holdings LLC	298,791
Ferrellgas Partners, L.P.	484,762	Terra Renewal LLC	552,584
TECHNOLOGY - 0.88%			851,375
Fidelity National Information	134,471		
First Data Corporation	1,050,000		
Smart Source Holdings LLC	1,010,282	Total Investments - 108.96%	302,152,371
Triple Point Technology, Inc.	236,541		
	2,431,294		

See Notes to Consolidated Financial Statements.

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)

The following is a summary of the inputs used to value the Trust’s net assets as of March 31, 2014:

Assets:	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate				
Bonds	\$ 188,911,006	—	48,558,871	140,352,135
Common Stock				
- U.S.	23,426,471	—	—	23,426,471
Preferred Stock	15,783,156	—	141,239	15,641,917
Partnerships and LLCs	21,410,598	—	—	21,410,598
Public Securities				
Bank Loans	1,530,332	—	1,530,332	
Corporate				
Bonds	50,057,431	—	50,057,431	—
Common Stock				
- U.S.	1,033,377	1,033,377	—	—
Preferred Stock	—	—	—	—
Short-term Securities	—	—	—	—
Total	\$ 302,152,371	\$ 1,033,377	\$ 100,287,873	\$ 200,831,121

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:

Beginning balance	Included in	Transfers in Ending and balance at
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Assets:	at 12/31/2013	earnings	Purchases	Sales	Prepayments	3	out of Level 03/31/2014
Restricted Securities							
Corporate Bonds	\$ 136,364,924	\$ 2,477,838	\$ 12,592,877	\$ (1,532,481)	\$ (9,551,023)	\$—	\$ 140,352,135
Common Stock - U.S.	23,299,991	(1,169,933)	1,296,413	—	—	—	23,426,471
Preferred Stock	14,778,114	346,952	516,851	—	—	—	15,641,917
Partnerships and LLCs	21,275,734	(1,073,023)	1,207,887	—	—	—	21,410,598
Public Securities							
Common Stock	—	—	—	—	—	—	—
	\$ 195,718,763	\$ 581,834	\$ 15,614,028	\$ (1,532,481)	\$ (9,551,023)	\$—	\$ 200,831,121

ITEM 2. CONTROLS AND PROCEDURES.

(a) The principal executive officer and principal financial officer of the Registrant evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act") as of a date within 90 days of the filing date of this report and based on that evaluation have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-Q is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) There have been changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act)("internal controls") that occurred during the Registrant's last fiscal quarter. The Registrant's investment adviser, Babson Capital Management LLC, who maintains the Registrant's internal controls, revised its internal controls to oversee State Street Bank & Trust who now provides certain administrative and accounting services to the Registrant.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) are attached hereto as an exhibit.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Babson Capital Corporate Investors

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date May 30, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date May 30, 2014

By (Signature and Title)*

/s/ James M. Roy

James M. Roy, Vice President and
Chief Financial Officer

Date May 30, 2014

* PRINT THE NAME AND TITLE OF EACH SIGNING OFFICER UNDER HIS OR HER SIGNATURE.
