

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
May 30, 2012

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: 03/31/12

ITEM 1. SCHEDULE OF INVESTMENTS.

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2012

(Unaudited)

| | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|----------------------|----------------------|
| Corporate Restricted Securities - 96.70%: (A) | | | | |
| Private Placement Investments - 93.56% | | | | |
| A E Company, Inc. A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries. | | | | |
| Common Stock (B) | 323,077 shs. | 11/10/09 | \$ 323,077 | \$ 244,565 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) * 11/10/09 and 11/18/09. | 161,538 shs. | 11/10/09 | 119,991 443,068 | 122,282 366,847 |
| A H C Holding Company, Inc. A designer and manufacturer of boilers and water heaters for the commercial sector. | | | | |
| 15% Senior Subordinated Note due 2015 | \$ 2,653,766 | 11/21/07 | 2,622,751 | 2,653,766 |
| Limited Partnership Interest (B) | 23.16% int. | 11/21/07 | 224,795 2,847,546 | 320,757 2,974,523 |
| A S A P Industries LLC A designer and manufacturer of components used on oil and natural gas wells. | | | | |
| Limited Liability Company Unit Class A-2 (B) | 1,276 uts. | 12/31/08 | 140,406 | 588,303 |
| Limited Liability Company Unit Class A-3 (B) | 1,149 uts. | 12/31/08 | 126,365 266,771 | 529,474 1,117,777 |
| 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. | | | | |
| 12.75% Senior Subordinated Note due 2016 | \$ 2,318,182 | 10/09/09 | 2,065,362 | 2,341,364 |
| Limited Liability Company Unit Class A (B) | 4,128 uts. | * | 405,691 | 541,802 |

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| | | | | |
|--------------------------------|------------|----------|-----------|-----------|
| Limited Liability Company Unit | | | | |
| Class B (B) | 2,782 uts. | 10/09/09 | 273,352 | 365,139 |
| * 10/09/09 and 10/27/10. | | | 2,744,405 | 3,248,305 |

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 | 661,500 |
| 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 | 661,500 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-----------|-------------|
| Advanced Technologies Holdings | | | | |
| A provider of factory maintenance services to industrial companies. | | | | |
| Preferred Stock Series A (B) | 1,031 shs. | 12/27/07 | \$510,000 | \$1,178,104 |
| Convertible Preferred Stock Series B (B) | 52 shs. | 01/04/11 | 40,800 | 60,002 |
| | | | 550,800 | 1,238,106 |
| Aero Holdings, Inc. | | | | |
| A provider of geospatial services to corporate and government clients. | | | | |
| 10.5% Senior Secured Term Note due 2014 | \$813,750 | 03/09/07 | 809,423 | 813,750 |
| 14% Senior Subordinated Note due 2015 | \$1,260,000 | 03/09/07 | 1,188,865 | 1,260,000 |
| | 262,500 | | | |
| Common Stock (B) | shs. | 03/09/07 | 262,500 | 587,871 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 66,116 shs. | 03/09/07 | 111,527 | 148,067 |
| | | | 2,372,315 | 2,809,688 |
| All Current Holding Company | | | | |
| A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors. | | | | |
| 12% Senior Subordinated Note due 2015 | \$1,140,317 | 09/26/08 | 1,075,505 | 1,140,317 |
| Common Stock (B) | 1,347 shs. | 09/26/08 | 134,683 | 125,205 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 958 shs. | 09/26/08 | 87,993 | 89,047 |
| | | | 1,298,181 | 1,354,569 |
| American Hospice Management Holding LLC | | | | |
| A for-profit hospice care provider in the United States. | | | | |
| 12% Senior Subordinated Note due 2013 | \$3,187,495 | * | 3,130,441 | 3,187,495 |
| Preferred Class A Unit (B) | 3,223 uts. | ** | 322,300 | 610,032 |
| Preferred Class B Unit (B) | 1,526 uts. | 06/09/08 | 152,626 | 283,290 |
| Common Class B Unit (B) | 30,420 uts. | 01/22/04 | 1 | 55,815 |
| Common Class D Unit (B) | 6,980 uts. | 09/12/06 | 1 | 12,807 |
| | | | 3,605,369 | 4,149,439 |
| * 01/22/04 and 06/09/08. | | | | |
| ** 01/22/04 and 09/12/06. | | | | |
| 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 2014 | \$1,912,500 | 04/28/09 | 1,727,709 | 1,912,500 |
| Preferred Stock Series B (B) | 3,065 shs. | 04/28/09 | 306,507 | 414,680 |
| Common Stock (B) | 1,366 shs. | 04/28/09 | 1,366 | 184,819 |
| | | | 2,035,582 | 2,511,999 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(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 | \$ 2,267,016 | | 12/21/11 | \$ 2,208,408 | \$ 2,267,975 |
| Limited Liability Company Unit Class B (B) | 85 uts. | | 12/21/11 | 85,250 | 79,340 |
| Limited Liability Company Unit Class C (B) | 665 uts. | | 12/21/11 | 664,750 | 618,665 |
| | | | | 2,958,408 | 2,965,980 |
| Arrow Tru-Line Holdings, Inc. | | | | | |
| A manufacturer of hardware for residential and commercial overhead garage doors in North America. | | | | | |
| 8% Senior Subordinated Note due 2014 (D) | \$ 1,990,935 | | 05/18/05 | 1,823,261 | 1,294,108 |
| Preferred Stock (B) | 63 shs. | | 10/16/09 | 62,756 | - |
| Common Stock (B) | 497 shs. | | 05/18/05 | 497,340 | - |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) | 130 shs. | | 05/18/05 | 112,128 | - |
| | | | | 2,495,485 | 1,294,108 |
| Associated Diversified Services | | | | | |
| A provider of routine maintenance and repair services primarily to electric utility companies predominantly on electric power distribution lines. | | | | | |
| 10% Senior Secured Term Note due 2016 (C) | \$ 750,857 | | 09/30/10 | 735,753 | 750,857 |
| 13% Senior Subordinated Note due 2017 | \$ 853,714 | | 09/30/10 | 774,053 | 862,251 |
| Limited Liability Company Unit Class B (B) | 92,571 uts. | | 09/30/10 | 92,571 | 125,682 |
| Limited Liability Company Unit Class B (B) | 70,765 uts. | | 09/30/10 | 70,765 | 96,077 |
| | | | | 1,673,142 | 1,834,867 |
| Barcodes Group, Inc. | | | | | |
| A distributor and reseller of automatic identification and data capture equipment, including mobile computers, scanners, point-of-sale systems, labels, and accessories. | | | | | |
| | \$ 1,945,304 | | 07/27/10 | 1,868,416 | 1,984,210 |

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13.5% Senior Subordinated Note
due 2016

| | | | | |
|--|----------|----------|-----------|-----------|
| Preferred Stock (B) | 39 shs. | 07/27/10 | 394,487 | 394,500 |
| Common Stock Class A (B) | 131 shs. | 07/27/10 | 1,310 | 194,118 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 23 shs. | 07/27/10 | 227 | 33,666 |
| | | | 2,264,440 | 2,606,494 |

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 | 2,227,029 | 570,398 |
| Common Stock (B) | 879 shs. | 06/30/06 | 268,121 | - |
| 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 | - |
| | | | 2,587,538 | 570,398 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-----------|------------|
| 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 | \$ 422,365 | 08/07/08 | \$418,429 | \$422,365 |
| 12.5% Senior Subordinated Note due 2015 | \$ 750,872 | 08/07/08 | 707,202 | 750,872 |
| Common Stock (B) | 73,256 shs. | 08/07/08 | 73,256 | 78,946 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 57,600 shs. | 08/07/08 | 57,689 | 62,074 |
| | | | 1,256,576 | 1,314,257 |
| Capital Specialty Plastics, Inc. | | | | |
| A producer of desiccant strips used for packaging pharmaceutical products. | | | | |
| Common Stock (B) | 109 shs. | * | 503 | 1,190,167 |
| *12/30/97 and 05/29/99. | | | | |
| 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 | \$ 2,176,704 | 01/19/11 | 2,060,732 | 2,184,518 |
| Common Stock (B) | 1,125 shs. | 01/19/11 | 112,500 | 92,077 |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) | 884 shs. | 01/19/11 | 87,750 | 72,378 |
| | | | 2,260,982 | 2,348,973 |
| 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 | \$ 1,200,000 | 03/26/12 | 1,158,851 | 1,197,629 |
| Common Stock (B) | 3,000 shs. | 03/26/12 | 300,000 | 285,000 |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B) | 172 shs. | 03/26/12 | 17,220 | 2 |
| | | | 1,476,071 | 1,482,631 |
| Clough, Harbour and Associates | | | | |
| An engineering service firm that is located in Albany, NY. | | | | |
| 12.25% Senior Subordinated Note due 2015 | \$ 2,400,000 | 12/02/08 | 2,287,972 | 2,400,000 |
| Preferred Stock (B) | 277 shs. | 12/02/08 | 276,900 | 361,733 |
| | | | 2,564,872 | 2,761,733 |

Coeur, Inc.

A producer of proprietary, disposable power injection syringes.

| | | | | | |
|---|----|-----------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 2016 | \$ | 1,214,286 | 10/10/08 | 1,134,217 | 1,214,286 |
| Common Stock (B) | | 607 shs. | 10/10/08 | 60,714 | 57,961 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | | 934 shs. | 10/10/08 | 91,071 | 89,172 |
| | | | | 1,286,002 | 1,361,419 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-------------|-------------|
| Connecticut Electric, Inc. | | | | |
| A supplier and distributor of electrical products sold into the retail and wholesale markets. | | | | |
| 10% Senior Subordinated Note due 2014 (D) | \$1,456,429 156,046 | 01/12/07 | \$1,358,675 | \$1,310,786 |
| Limited Liability Company Unit Class A (B) | uts. 112,873 | 01/12/07 | 156,046 | 12,447 |
| Limited Liability Company Unit Class C (B) | uts. 1,268,437 | 01/12/07 | 112,873 | 9,004 |
| Limited Liability Company Unit Class D (B) | uts. | 05/03/10 | - | 101,179 |
| Limited Liability Company Unit Class E (B) | 2,081 uts. | 05/03/10 | - | 166 |
| | | | 1,627,594 | 1,433,582 |
| 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 | 1,288,175 |
| Preferred Stock Series C (B) | 8,986 shs. | 07/05/07 | 300,168 | 674,832 |
| 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. | | | 1,190,153 | 1,963,007 |
| CorePharma LLC | | | | |
| A manufacturer of oral dose generic pharmaceuticals targeted at niche applications. | | | | |
| 14.5% Senior Subordinated Note due 2016 | \$2,643,438 | 08/04/05 | 2,643,438 | 2,643,438 |
| Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B) | 20 shs. | 08/04/05 | 137,166 | 677,761 |
| | | | 2,780,604 | 3,321,199 |
| Crane Rental Corporation | | | | |
| A crane rental company since 1960, headquartered in Florida. | | | | |
| 13% Senior Subordinated Note due 2015 | \$2,295,000 255,000 | 08/21/08 | 2,147,162 | 2,213,798 |
| Common Stock (B) | shs. | 08/21/08 | 255,000 | - |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 136,070 shs. | 08/21/08 | 194,826 | - |
| | | | 2,596,988 | 2,213,798 |

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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.

| | | | | |
|--|-------------|----------|-----------|-----------|
| 12.5% Senior Subordinated Note due 2016 | \$2,182,212 | 10/27/09 | 1,960,697 | 2,158,322 |
| Preferred Stock PIK (B) | 296 shs. | 10/27/09 | 295,550 | 101,067 |
| Preferred Stock Series A (B) | 216 shs. | 10/27/09 | 197,152 | 73,843 |
| Common Stock (B) | 72 shs. | 10/27/09 | 72,238 | - |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 53 shs. | 10/27/09 | 48,608 | - |
| | | | 2,574,245 | 2,333,232 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-------------|-------------|
| DPC Holdings LLC | | | | |
| A provider of accounts receivable management and revenue cycle management services to customers in the healthcare, financial and utility industries. | | | | |
| 14% Senior Subordinated Note due 2017 | \$2,690,423 | 10/21/11 | \$2,639,700 | \$2,688,369 |
| Limited Liability Company Unit Class A (B) | 33,333 uts. | 10/21/11 | 333,333 | 292,981 |
| | | | 2,973,033 | 2,981,350 |
| Duncan Systems, Inc. | | | | |
| A distributor of windshields and side glass for the recreational vehicle market. | | | | |
| 10% Senior Secured Term Note due 2013 | \$270,000 | 11/01/06 | 268,822 | 269,699 |
| 13% Senior Subordinated Note due 2014 | \$855,000 | 11/01/06 | 811,151 | 853,310 |
| | 180,000 | | | |
| Common Stock (B) | shs. | 11/01/06 | 180,000 | 27,728 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 56,514 shs. | 11/01/06 | 78,160 | 8,706 |
| | | | 1,338,133 | 1,159,443 |
| E S P Holdco, Inc. | | | | |
| A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network. | | | | |
| 14% Senior Subordinated Note due 2015 | \$2,415,649 | 01/08/08 | 2,387,836 | 2,415,649 |
| Common Stock (B) | 660 shs. | 01/08/08 | 329,990 | 426,980 |
| | | | 2,717,826 | 2,842,629 |
| E X C Acquisition Corporation | | | | |
| A manufacturer of pre-filled syringes and pump systems used for intravenous drug delivery. | | | | |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 22 shs. | 06/28/04 | 77,208 | 47,946 |
| 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 | 2,534,031 | 2,748,454 |
| Common Stock (B) | 150 shs. | 02/01/10 | 150,000 | 134,009 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 358 shs. | 02/01/10 | 321,300 | 319,521 |
| | | | 3,005,331 | 3,201,984 |

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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 | \$2,731,818 | 03/01/12 | 2,677,619 | 2,703,263 |
| Common Stock (B) | 122 shs. | 03/01/12 | 272,727 | 259,105 |
| | | | 2,950,346 | 2,962,368 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--------------|--|---------------------|--------------|------------|
| F C X Holdings Corporation | | | | | |
| A distributor of specialty/technical valves, actuators, accessories, and process instrumentation supplying a number of industrial, high purity, and energy end markets in North America. | | | | | |
| 15% Senior Subordinated Note due 2015 | \$ 2,344,883 | 10/06/08 | \$ 2,318,823 | \$ 2,344,883 | |
| 14% Senior Subordinated Note due 2017 | \$ 638,527 | 03/02/12 | 625,923 | 632,855 | |
| Preferred Stock Series A (B) | 441 shs. | * | 44,100 | 59,650 | |
| Preferred Stock Series B (B) | 4,341 shs. | 10/06/08 | 434,074 | 587,165 | |
| Common Stock (B) | 3,069 shs. | 10/06/08 | 3,069 | 37,747 | |
| * 12/30/10 and 07/01/11. | | | 3,425,989 | 3,662,300 | |
| 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 | \$ 2,622,316 | 09/27/10 | 2,580,258 | 2,674,762 | |
| Limited Liability Company Units Preferred (B) | 512 uts. | 09/27/10 | 460,976 | 510,076 | |
| Limited Liability Company Units (B) | 512 uts. | 09/27/10 | 51,220 | 114,454 | |
| | | | 3,092,454 | 3,299,292 | |
| 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. | | | | | |
| 14.25% Senior Subordinated Note due 2016 | \$ 2,665,590 | 12/15/10 | 2,602,241 | 2,718,902 | |
| 14.25% Senior Subordinated Note due 2016 | \$ 661,279 | 02/29/12 | 661,268 | 655,673 | |
| Limited Liability Company Unit Class B-1 (B) | 394,737 uts. | 12/15/10 | 394,737 | 701,062 | |
| Limited Liability Company Unit Class B-2 (B) | 49,488 uts. | 12/15/10 | 49,488 | 87,892 | |
| | | | 3,707,734 | 4,163,529 | |

F H Equity LLC

A designer and manufacturer of a full line of automatic transmission filters and filtration systems for passenger vehicles.

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| | | | | |
|--|--------------|----------|---------------------|---------------------|
| 14% Senior Subordinated Note due 2017 | \$ 3,078,645 | 12/20/10 | 2,968,557 | 3,154,370 |
| Limited Liability Company Unit Class C (B) | 9,449 uts. | 12/20/10 | 96,056 3,064,613 | 99,419 3,253,789 |

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 2013 (D) | \$ 918,385 | 04/13/06 | 908,339 | 459,192 |
| 14% Senior Subordinated Note due 2013 (D) | \$ 555,059 | 04/13/06 | 509,089 1,417,428 | - 459,192 |

G C Holdings

A leading manufacturer of gaming tickets, industrial recording charts, security-enabled point-of sale receipts, and medical charts and supplies.

| | | | | |
|--|--------------|----------|----------------------|----------------|
| 12.5% Senior Subordinated Note due 2017 | \$ 3,000,000 | 10/19/10 | 2,826,877 | 3,060,000 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 594 shs. | 10/19/10 | 140,875 2,967,752 | - 3,060,000 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|--------------|------------|
| Golden County Foods Holding, Inc. | | | | |
| A manufacturer of frozen appetizers and snacks. | | | | |
| 16% 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 | 342,550 |
| 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 | 342,550 |
| 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 | 1,284,565 | 1,390,795 |
| Common Stock (B) | 115 shs. | 11/14/11 | 115,385 | 79,037 |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) | 83 shs. | 11/14/11 | 76,788 | 56,584 |
| | | | 1,476,738 | 1,526,416 |
| Healthcare Direct Holding Company | | | | |
| A direct-to-consumer marketer of discount dental plans. | | | | |
| 14% Senior Subordinated Note due 2019 | \$ 2,097,505 | 03/09/12 | 2,055,811 | 2,080,999 |
| Common Stock (B) | 1,552 shs. | 03/09/12 | 155,172 | 147,413 |
| | | | 2,210,983 | 2,228,412 |
| HGGC Citadel Plastics Holdings | | | | |

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A world-leading source for thermoset and thermoplastic compounds.

| | | | | |
|---------------------------------------|--------------|----------|-----------|-----------|
| 14% Senior Subordinated Note due 2019 | \$ 2,697,581 | 02/29/12 | 2,644,031 | 2,669,403 |
| Common Stock (B) | 302 shs. | 02/29/12 | 302,419 | 287,299 |
| | | | 2,946,450 | 2,956,702 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|-----------|------------|
| Home Décor Holding Company | | | | |
| A designer, manufacturer and marketer of framed art and wall décor products. | | | | |
| Common Stock (B) | 63 shs. | * | \$ 62,742 | \$ 123,138 |
| Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B) | 200 shs. | * | 199,501 | 391,553 |
| | | | 262,243 | 514,691 |
| * 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 | - | - |
| 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. | | | | |
| 14% Senior Subordinated Note due 2016 | | | | |
| | \$ 2,863,626 | 08/19/08 | 2,732,688 | 2,720,444 |
| Common Stock (B) | 474 shs. | 08/19/08 | 474,419 | - |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 123 shs. | 08/19/08 | 113,773 | - |
| | | | 3,320,880 | 2,720,444 |
| Ideal Tridon Holdings, Inc. | | | | |
| A designer and manufacturer of clamps and couplings used in automotive and industrial end markets. | | | | |
| 13.5% Senior Subordinated Note due 2018 | | | | |
| | \$ 2,739,043 | 10/27/11 | 2,686,703 | 2,740,225 |
| Common Stock (B) | 279 shs. | 10/27/11 | 278,561 | 287,252 |
| | | | 2,965,264 | 3,027,477 |
| 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 | 494,905 |

International Offshore Services LLC

A leading provider of marine transportation services, platform decommissioning, and salvage services to oil and gas producers in the shallow waters of the Gulf of Mexico.

14.25% Senior Subordinated Secured

| | | | | |
|------------------------------------|--------------|----------|-----------|-----------|
| Note due 2017 (D) | \$ 2,550,000 | 07/07/09 | 2,335,431 | 1,275,000 |
| Limited Liability Company Unit (B) | 3,112 uts. | 07/07/09 | 186,684 | - |
| | | | 2,522,115 | 1,275,000 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|--------------|--------------|
| J A C Holding Enterprises, Inc. | | | | |
| A supplier of luggage racks and accessories to the original equipment manufacturers. | | | | |
| 12.5% Senior Subordinated Note due 2017 | \$ 2,500,000 | 12/20/10 | \$ 2,174,097 | \$ 2,265,417 |
| Preferred Stock A (B) | 495 shs. | 12/20/10 | 495,000 | - |
| Preferred Stock B (B) | 0.17 shs. | 12/20/10 | - | - |
| Common Stock (B) | 100 shs. | 12/20/10 | 5,000 | - |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 36 shs. | 12/20/10 | 316,931 | - |
| | | | 2,991,028 | 2,265,417 |
| 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 |
| K & N Parent, Inc. | | | | |
| A manufacturer and supplier of automotive aftermarket performance air filters and intake systems. | | | | |
| 14% Senior Subordinated Note due 2017 | \$ 2,608,696 | 12/23/11 | 2,557,739 | 2,614,331 |
| Preferred Stock Series A (B) | 305 shs. | 12/23/11 | 289,733 | 247,101 |
| Preferred Stock Series B (B) | 86 shs. | 12/23/11 | 82,006 | 69,938 |
| Common Stock (B) | 391 shs. | 12/23/11 | 19,565 | - |
| | | | 2,949,043 | 2,931,370 |
| K N B Holdings Corporation | | | | |
| A designer, manufacturer and marketer of products for the custom framing market. | | | | |
| 15% Senior Subordinated Note due 2017 | \$ 4,414,253 | 04/12/11 | 4,078,094 | 4,414,253 |
| Common Stock (B) | 134,210 shs. | 05/25/06 | 134,210 | 47,650 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 82,357 shs. | 05/25/06 | 71,534 | 29,240 |
| | | | 4,283,838 | 4,491,143 |
| 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. | | | | |
| 15% Senior Subordinated Note due 2017 | \$ 2,694,958 | 12/10/10 | 2,648,430 | 2,691,901 |
| Common Stock (B) | 698,478 shs. | 12/10/10 | 698,478 | 371,856 |
| | | | 3,346,908 | 3,063,757 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(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. | | | | |
| 6% Senior Subordinated Note due 2015 | \$2,549,767 | 07/16/08 | \$2,412,404 | \$2,422,279 |
| 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 | - |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 96 shs. | 07/16/08 | 96,024 | - |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 128 shs. | 09/17/09 | - | - |
| | | | 3,031,817 | 2,605,689 |
| K W P I Holdings Corporation | | | | |
| A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States. | | | | |
| 12% Senior Subordinated Note due 2015 (D) | \$3,162,920 | 03/14/07 | 2,878,056 | 2,530,336 |
| Preferred Stock PIK (B) | 1,499 shs. | 02/07/11 | 579,500 | - |
| Common Stock (B) | 232 shs. | 03/13/07 | 232,000 | - |
| Warrant, exercisable until 2019, to purchase preferred stock at \$.01 per share (B) | 134 shs. | 07/07/09 | - | - |
| Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B) | 167 shs. | 03/14/07 | 162,260 | - |
| | | | 3,851,816 | 2,530,336 |
| LPC Holding Company | | | | |
| A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets. | | | | |
| 13.5% Senior Subordinated Note due 2018 | \$2,732,510 | 08/15/11 | 2,681,587 | 2,781,627 |
| Common Stock (B) | 283 shs. | 08/15/11 | 283,019 | 253,600 |
| | | | 2,964,606 | 3,035,227 |
| 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. | | | | |
| 13% Senior Subordinated Note due 2016 | \$1,264,386 | 09/12/08 | 1,200,432 | 1,264,386 |
| Common Stock (B) | 61 shs. | 09/12/08 | 60,714 | 77,450 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 66 shs. | 09/12/08 | 65,571 | 83,650 |
| | | | 1,326,717 | 1,425,486 |

Mail Communications Group, Inc.

A provider of mail processing and handling services, letter shop services, and commercial printing services.

| | | | | |
|--|-------------|----------|---------|---------|
| Limited Liability Company Unit (B) | 24,109 uts. | * | 314,464 | 408,153 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 3,375 shs. | 05/04/07 | 43,031 | 57,137 |
| * 05/04/07 and 01/02/08. | | | 357,495 | 465,290 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-------------|-------------|
| 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 | \$1,126,799 | \$1,259,914 |
| 15% Senior Subordinated Note due 2018 | \$318,857 | 10/05/10 | 313,325 | 318,857 |
| Common Stock (B) | 106 shs. | 10/05/10 | 106,200 | 189,566 |
| Common Stock Class B (B) | 353 shs. | 01/15/10 | 352,941 | 629,995 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 312 shs. | 01/15/10 | 283,738 | 557,542 |
| | | | 2,183,003 | 2,955,874 |
| 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 | \$1,326,976 | 09/20/11 | 1,301,907 | 1,338,152 |
| Limited Liability Company Unit Class A (B) | 8,700 uts. | 09/20/11 | 180,000 | 136,162 |
| Limited Liability Company Unit Class D (B) | 874 uts. | 09/20/11 | - | 13,684 |
| | | | 1,481,907 | 1,487,998 |
| 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 | * | 3,083,743 | 3,419,536 |
| Preferred Stock Series A (B) | 4,164 shs. | 09/07/10 | 416,392 | 1,368,218 |
| Common Stock (B) | 487 shs. | 03/01/11 | 48,677 | 160,020 |
| Common Stock (B) | 458 shs. | 09/07/10 | 45,845 | 150,491 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 310 shs. | 03/01/11 | 30,975 | 101,861 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 1,158 shs. | 09/07/10 | 115,870 | 380,499 |
| * 09/07/10 and 03/01/11. | | | 3,741,502 | 5,580,625 |
| MedSystems Holdings LLC | | | | |
| A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding. | | | | |
| 13% Senior Subordinated Note due 2015 | \$1,190,084 | 08/29/08 | 1,098,105 | 1,190,084 |
| Preferred Unit (B) | 126 uts. | 08/29/08 | 125,519 | 122,679 |
| Common Unit Class A (B) | 1,268 uts. | 08/29/08 | 1,268 | - |
| Common Unit Class B (B) | 472 uts. | 08/29/08 | 120,064 | - |
| | | | 1,344,956 | 1,312,763 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|------------|------------|
| 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 | \$ 142,601 |
| Limited Partnership Interest (B) | 1.40% int. | 09/16/08 | 388,983 | 457,634 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 35 shs. | 09/24/08 | 33,268 | 31,770 |
| | | | 525,506 | 632,005 |
| 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 | \$ 1,103,774 | 09/22/11 | 1,082,828 | 1,111,323 |
| Limited Liability Company Unit Series B (B) | 396,226 uts. | 09/22/11 | 396,226 | 435,364 |
| | | | 1,479,054 | 1,546,687 |
| MicroGroup, Inc. | | | | |
| A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars. | | | | |
| 12% Senior Subordinated Note due 2013 (D) | \$ 2,685,614 | * | 2,577,220 | 671,403 |
| Common Stock (B) | 450 shs. | * | 450,000 | - |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B) | 164 shs. | * | 162,974 | - |
| * 08/12/05 and 09/11/06. | | | 3,190,194 | 671,403 |
| Monessen Holding Corporation | | | | |
| A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories. | | | | |
| 15% Senior Subordinated Note due 2015 (D) | \$ 1,556,056 | 06/28/11 | 1,034,632 | - |
| 7% Senior Subordinated Note due 2014 (D) | \$ 2,550,000 | 06/28/11 | 2,420,572 | - |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B) | 152 shs. | 03/31/06 | 138,125 | - |

3,593,329 -

Motion Controls Holdings

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

| | | | | |
|--|--------------|----------|-----------|-----------|
| 14.25% Senior Subordinated Note due 2017 | \$ 2,783,876 | 11/30/10 | 2,738,348 | 2,839,554 |
| Limited Liability Company Unit Class B-1 (B) | 281,250 uts. | 11/30/10 | - | 338,944 |
| Limited Liability Company Unit Class B-2 (B) | 25,504 uts. | 11/30/10 | - | 30,735 |
| | | | 2,738,348 | 3,209,233 |

NABCO, Inc.

A producer of explosive containment vessels in the United States.

| | | | | |
|--|------------|----------|-----------|---------|
| 14% Senior Subordinated Note due 2014 (D) | \$ 625,000 | 02/24/06 | 578,174 | 156,250 |
| Limited Liability Company Unit (B) | 825 uts. | * | 825,410 | - |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 129 shs. | 02/24/06 | 37,188 | - |
| * 02/24/06 and 06/22/07. | | | 1,440,772 | 156,250 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (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 2014 | \$ 1,946,587 | | 02/02/07 | \$ 1,764,746 | \$ 1,557,270 |
| Limited Partnership Interest of Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D of | 2.73% int. | | 02/01/07 | 1,110,810 | - |
| Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-1 of | 17 uts. | * | | 16,759 | - |
| Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-2 of | 229 uts. | | 09/30/09 | 228,858 | - |
| Saw Mill PCG Partners LLC (B) * 12/18/08 and 09/30/09. | 128 uts. | | 04/29/11 | 65,256 3,186,429 | - 1,557,270 |
| Newark Group, Inc. | | | | | |
| A major producer of paper products from recycled materials. | | | | | |
| Common Stock (B) | 134,520 shs. | | 09/02/10 | 796,863 | 259,422 |
| Nicoat Acquisitions LLC | | | | | |
| A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications. | | | | | |
| 12.5% Senior Subordinated Note due 2016 | \$ 1,448,276 | | 11/05/10 | 1,333,413 | 1,462,123 |
| Limited Liability Company Unit Series B (B) | 51,724 uts. | | 11/05/10 | 51,724 | 56,746 |
| Limited Liability Company Unit Series B (B) | 104,792 uts. | | 11/05/10 | 104,792 | 114,967 |
| Limited Liability Company Unit Series F (B) | 156,516 uts. | | 11/05/10 | - 1,489,929 | 40,653 1,674,489 |
| Northwest Mailing Services, Inc. | | | | | |

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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 | \$2,818,421 | * | 2,402,656 | 2,793,509 |
| Limited Partnership Interest (B) | 3,287 uts. | * | 328,679 | 85,814 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 4,920 shs. | * | 492,016 | 128,460 |
| * 07/09/09 and 08/09/10. | | | 3,223,351 | 3,007,783 |

NT Holding Company

A leading developer, manufacturer and provider of medical products used primarily in interventional pain management.

| | | | | |
|--|-------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 2019 | \$2,649,351 | 02/02/11 | 2,456,175 | 2,681,432 |
| Common Stock (B) | 377 shs. | * | 377,399 | 251,018 |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B) | 176 shs. | 02/02/11 | 158,961 | 117,235 |
| * 02/02/11 and 06/30/11. | | | 2,992,535 | 3,049,685 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------------|------------|
| Nyloncraft, Inc. | | | | |
| A supplier of engineered plastic components for the automotive industry. | | | | |
| Common Stock (B) | 312,500 shs. | 01/28/02 | \$ 312,500 | \$450,260 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 243,223 shs. | 01/28/02 | 162,045 | 350,443 |
| | | | 474,545 | 800,703 |
| O E C Holding Corporation | | | | |
| A provider of elevator maintenance, repair and modernization services. | | | | |
| 13% Senior Subordinated Note due 2017 | \$ 1,333,333 | 06/04/10 | 1,233,442 | 1,323,677 |
| Preferred Stock Series A (B) | 1,661 shs. | 06/04/10 | 166,062 | 80,732 |
| Preferred Stock Series B (B) | 934 shs. | 06/04/10 | 93,376 | 45,396 |
| Common Stock (B) | 1,032 shs. | 06/04/10 | 1,032 | - |
| | | | 1,493,912 | 1,449,805 |
| OakRiver Technology, Inc. | | | | |
| Designs, engineers and assembles high precision automated process equipment for the medical device industry with a focus on defibrillators and stents. | | | | |
| | | | | 322,307 |
| Common Stock (B) | | 01/03/06 | 322,307 | 742,896 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 75,378 shs. | 01/03/06 | 62,824 | 173,741 |
| | | | 385,131 | 916,637 |
| 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 | 1,564,276 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 619 shs. | 01/17/06 | 170,801 | 264,105 |
| | | | 742,916 | 1,828,381 |
| P K C Holding Corporation | | | | |
| A manufacturer of plastic film and badges for the general industrial, medical, and food industries. | | | | |
| 14% Senior Subordinated Note due 2016 | 3,008,156 | 12/21/10 | 2,945,747 | 3,038,131 |
| Preferred Stock Class A (B) | 54 shs. | 12/21/10 | 340,718 | 542,180 |
| Common Stock (B) | 54 shs. | 12/21/10 | 25,500 | - |
| | | | 3,311,965 | 3,580,311 |

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 | \$2,784,217 | 12/20/10 | 2,737,176 | 2,767,321 |
| Limited Liability Company Unit Class A (B) | 99 uts. | 12/20/10 | 318,215 | 214,310 |
| Limited Liability Company Unit Class B (B) | 99 uts. | 12/20/10 | 3,214 | 214,310 |
| | | | 3,058,605 | 3,195,941 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------------------------|------------------------|
| 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. | | | | |
| 14% Senior Subordinated Note due 2012 | | | | |
| (D) | \$ 1,393,591 | 04/27/07 | \$ 1,359,161 | \$ 487,757 |
| 5% Senior Subordinated Note due 2012 | \$ 79,688 | 07/21/10 | 79,688 | 79,688 |
| Preferred Shares Series E (B) | 79,688 uts. 1,754,707 | 07/21/10 | - | - |
| Limited Liability Company Unit (B) | uts. | 04/27/07 | 63,233 1,502,082 | - 567,445 |
| Paradigm Packaging, Inc. | | | | |
| A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care, and food packaging markets. | | | | |
| 12% Senior Subordinated Note due 2015 | \$ 1,593,750 | 12/19/00 | 1,589,925 | 1,593,750 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 372 shs. | 12/21/00 | 265,625 1,855,550 | 641 1,594,391 |
| 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 | - - |
| Postle Aluminum Company LLC | | | | |
| A manufacturer and distributor of aluminum extruded products. | | | | |
| 15% Senior Subordinated Note due 2013 | \$ 1,615,917 | 06/03/10 | 1,599,980 | 1,632,076 |
| 3% Senior Subordinated PIK Note due 2014 | \$ 2,283,699 | 10/02/06 | 2,057,261 | 2,283,699 |
| Limited Liability Company Unit Class A (B) | 1,384 uts. | 10/02/06 | 510,000 | 170,077 |
| Limited Liability Company Unit (B) | 143 uts. | 05/22/09 | 642 | 17,572 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 8,595 shs. | 10/02/06 | 124,644 4,292,527 | 1,056,187 5,159,611 |
| Power Services Holding Company | | | | |

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A provider of industrial motor repair services, predictive and preventative maintenance, and performance improvement consulting serving the petrochemical, mining, power generation, metals, and paper industries.

| | | | | |
|--|--------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 2016 | \$ 1,780,638 | 02/11/08 | 1,681,063 | 1,780,638 |
| Limited Partnership Interest (B) | 23.70% int. | 02/11/08 | 177,729 | 192,080 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 1,322 shs. | 02/11/08 | 167,588 | 390,771 |
| | | | 2,026,380 | 2,363,489 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|--------------|--------------|
| Precision Wire Holding Company | | | | |
| A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical procedures. | | | | |
| 14.25% Senior Subordinated Note due 2016 | \$ 2,642,859 | 11/12/09 | \$ 2,441,009 | \$ 2,695,716 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 206 shs. | 11/12/09 | 203,944 | 192,986 |
| | | | 2,644,953 | 2,888,702 |
| Qualis Automotive LLC | | | | |
| A distributor of aftermarket automotive brake and chassis products. | | | | |
| Common Stock (B) | 354,167 shs. | 05/28/04 | 354,166 | 477,723 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 377,719 shs. | 05/28/04 | 377,719 | 509,491 |
| | | | 731,885 | 987,214 |
| R A J Manufacturing Holdings LLC | | | | |
| A designer and manufacturer of women's swimwear sold under a variety of licensed brand names. | | | | |
| 12.5% Senior Subordinated Note due 2014 | \$ 1,411,274 | 12/15/06 | 1,357,582 | 1,411,274 |
| Limited Liability Company Unit (B) | 2,828 uts. | 12/15/06 | 282,810 | 120,878 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 3 shs. | 12/15/06 | 131,483 | 57,004 |
| | | | 1,771,875 | 1,589,156 |
| RM Holding Company | | | | |
| A specialty distributor of home medical care equipment. | | | | |
| 13% Senior Subordinated Note due 2018 | \$ 1,380,952 | 02/09/12 | 1,297,485 | 1,383,757 |
| Common Stock (B) | 1,108 shs. | 02/09/12 | 11 | 10 |
| Preferred Stock (B) | 119,037 shs. | 02/09/12 | 119,037 | 113,085 |
| Warrant, exercisable until 2022, to purchase preferred stock A at \$.01 per share (B) | 36,263 shs. | 02/09/12 | 35,940 | 363 |
| Warrant, exercisable until 2022, to purchase preferred stock B at \$.01 per share (B) | 21,202 shs. | 02/09/12 | 21,202 | 212 |
| Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B) | 556 shs. | 02/09/12 | - | 6 |
| | | | 1,473,675 | 1,497,433 |
| Royal Baths Manufacturing Company | | | | |

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A manufacturer and distributor of acrylic and cultured marble bathroom products.

| | | | | |
|---|------------|----------|--------------------|-------------------|
| 12.5% Senior Subordinated Note due 2016 | \$ 531,250 | 11/14/03 | 522,644 | 531,250 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 140 shs. | 11/14/03 | 122,946 645,590 | 42,301 573,551 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Babson Capital Corporate Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|--------------|--------------|
| 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 | \$ 1,968,750 | 03/30/12 | \$ 1,939,236 | \$ 1,967,980 |
| Preferred Stock (B) | 6,294 shs. | 03/30/12 | 251,758 | 239,170 |
| Common Stock (B) | 2,949 shs. | 03/30/12 | 29,492 | 28,017 |
| | | | 2,220,486 | 2,235,167 |
| 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) | \$ 2,185,882 | 01/15/09 | 1,560,231 | - |
| Smart Source Holdings LLC | | | | |
| A short-term computer rental company. | | | | |
| 12% Senior Subordinated Note due 2015 | \$ 2,223,076 | * | 2,105,066 | 2,223,076 |
| Limited Liability Company Unit (B) | 619 uts. | * | 631,592 | 556,750 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 157 shs. | * | 164,769 | 141,043 |
| * 08/31/07 and 03/06/08. | | | 2,901,427 | 2,920,869 |
| 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. | | | | |
| 13% Senior Subordinated Note due 2017 | | \$2,642,013 | 11/12/10 | 2,511,831 |
| Preferred Stock A (B) | | 3,395 shs. | 11/12/10 | 322,495 |
| Preferred Stock B (B) | | 1,575 shs. | 11/12/10 | 149,650 |
| Common Stock (B) | | 19,737 shs. | 11/12/10 | 19,737 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | | 5,418 shs. | 11/12/10 | 5,418 |
| | | | | 3,009,131 |
| | | | | 2,933,626 |
| SouthernCare Holdings, Inc. | | | | |
| A hospice company providing palliative care services to terminally ill patients. | | | | |

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| | | | | |
|--|-------------|----------|-----------|-----------|
| 14% Senior Subordinated Note due 2018 | \$2,745,478 | 12/01/11 | 2,692,520 | 2,747,834 |
| Common Stock (B) | 2,727 shs. | 12/01/11 | 272,727 | 284,604 |
| | | | 2,965,247 | 3,032,438 |
| Spartan Foods Holding Company | | | | |
| A manufacturer of branded pizza crusts and pancakes. | | | | |
| 12.25% Senior Subordinated Note due 2017 | \$2,267,934 | 12/15/09 | 2,000,712 | 2,154,538 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 257 shs. | 12/15/09 | 227,109 | 20,012 |
| | | | 2,227,821 | 2,174,550 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|---------------------|-------------|-------------|
| Specialty Commodities, Inc. | | | | |
| A distributor of specialty food ingredients. | | | | |
| 13.25% Senior Subordinated Note due 2016 | \$2,348,591 | 10/23/08 | \$2,246,958 | \$2,348,591 |
| Common Stock (B) | 30,000 shs. | 10/23/08 | 300,000 | 349,155 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 11,054 shs. | 10/23/08 | 100,650 | 128,652 |
| | | | 2,647,608 | 2,826,398 |
| Stanton Carpet Holding Company | | | | |
| A designer and marketer of high and mid-priced decorative carpets and rugs. | | | | |
| 12.13% Senior Subordinated Note due 2015 | \$1,492,683 | 08/01/06 | 1,451,373 | 1,492,683 |
| Common Stock (B) | 311 shs. | 08/01/06 | 310,976 | 434,780 |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B) | 104 shs. | 08/01/06 | 93,293 | 144,801 |
| | | | 1,855,642 | 2,072,264 |
| Strata/WLA Holding Corporation | | | | |
| A leading independent anatomic pathology laboratory that conducts over 320,000 tests annually to customers in 40 U.S. states, Canada and Venezuela. | | | | |
| 14.5% Senior Subordinated Note due 2018 | \$2,824,161 | 07/01/11 | 2,772,406 | 2,804,734 |
| Preferred Stock Series A (B) | 228 shs. | 07/01/11 | 228,137 | 122,752 |
| | | | 3,000,543 | 2,927,486 |
| 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 | - | - |
| 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 | \$ 3,144,624 | 12/14/10 | 2,984,248 | 2,987,393 |
| Common Stock (B) | 115 shs. | 12/14/10 | 114,504 | 13,206 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 112 shs. | 12/14/10 | 111,747 | 12,889 |
| | | | 3,210,499 | 3,013,488 |

Syneract Holdings Corporation

A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.

| | | | | |
|--|--------------|----------|-----------|-----------|
| 14.5% Senior Subordinated Note due 2017 | \$ 2,669,209 | 09/02/08 | 2,543,068 | 2,669,209 |
| Redeemable Preferred Stock Series A (B) | 1,280 shs. | 09/02/08 | 12,523 | 71,227 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 12,803 shs. | 09/02/08 | 112,693 | - |
| | | | 2,668,284 | 2,740,436 |

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors
 March 31, 2012
 (Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-----------|------------|
| THI Acquisition, Inc. | | | | |
| A machine servicing company providing value-added steel services to long steel products. | | | | |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 9 shs. | 01/14/08 | \$88,054 | \$319,134 |
| 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 2014 (D) | \$1,162,110 | * | 1,127,650 | - |
| 6.9% Term Note due 2012 (C) | \$1,319,316 | 05/31/11 | 1,319,316 | 1,187,385 |
| Common Stock Class B | 55 shs. | * | 6,254 | - |
| Limited Partnership Interest of Saw Mill Capital Fund V, LLC (B) | 3.97% int. | ** | 205,558 | - |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 72 shs. | 04/28/06 | 59,041 | - |
| * 04/28/06 and 09/13/06. | | | 2,717,819 | 1,187,385 |
| ** 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. | | | | |
| 12.5% Senior Subordinated Note due 2014 (D) | \$2,455,561 | 10/26/07 | 2,147,354 | - |
| Series B Preferred Stock (B) | 182 shs. | 03/31/10 | - | - |
| Common Stock (B) | 515 shs. | 03/31/10 | 414,051 | - |
| | | | 2,561,405 | - |
| Transpac Holding Company | | | | |
| A designer, importer and wholesaler of home décor and seasonal gift products. | | | | |
| 12% Senior Subordinated Note due 2015 | \$1,773,006 | 10/31/07 | 1,670,231 | 1,790,736 |
| Common Stock (B) | 209 shs. | 10/31/07 | 208,589 | 50,550 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 94 shs. | 10/31/07 | 87,607 | 22,824 |
| | | | 1,966,427 | 1,864,110 |
| Tranzonic Companies (The) | | | | |

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

| | | | | |
|--|-------------|----------|-----------|-----------|
| 13% Senior Subordinated Note due 2013 | \$2,712,000 | 02/05/98 | 2,698,170 | 2,712,000 |
| Common Stock (B) | 630 shs. | 02/04/98 | 630,000 | 598,791 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 444 shs. | 02/05/98 | 368,832 | 422,005 |
| | | | 3,697,002 | 3,732,796 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(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 2013 | \$ 2,309,541 | * | \$ 2,137,368 | \$ 2,194,064 |
| Preferred Stock Series B (B) | 241 shs. | 10/20/08 | 241,172 | - |
| Common Stock (B) | 742 shs. | * | 800,860 | - |
| Warrant, exercisable until 2014, 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) | 1,054 shs. | 10/20/08 | - | - |
| * 07/19/05 and 12/22/05. | | | 3,339,294 | 2,194,064 |
| TruStile Doors, Inc. | | | | |
| A manufacturer and distributor of interior doors. | | | | |
| Limited Liability Company Unit | 11,775 uts. | 02/28/11 | 250,000 | 217,254 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 5,781 shs. | 04/11/03 | 68,059 | - |
| | | | 318,059 | 217,254 |
| U-Line Corporation | | | | |
| A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration appliances. | | | | |
| 12.5% Senior Subordinated Note due 2016 | \$ 893,998 | 04/30/04 | 880,062 | 893,997 |
| Common Stock (B) | 182 shs. | 04/30/04 | 182,200 | 116,114 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 230 shs. | 04/30/04 | 211,736 | 146,844 |
| | | | 1,273,998 | 1,156,955 |
| U M A Enterprises, Inc. | | | | |
| An importer and wholesaler of home décor products. | | | | |
| Convertible Preferred Stock (B) | 887 shs. | 02/08/08 | 886,956 | 727,217 |

Visioneering, Inc.

A designer and manufacturer of tooling and fixtures for the aerospace industry.

10.5% Senior Secured Term Loan due

| | | | | |
|--|--------------|----------|-----------|-----------|
| 2013 | \$ 753,529 | 05/17/07 | 751,351 | 728,832 |
| 13% Senior Subordinated Note due 2014 | \$ 648,530 | 05/17/07 | 619,536 | 616,569 |
| 18% PIK Convertible Preferred Stock (B) | 37,381 shs. | 03/13/09 | 72,519 | - |
| Common Stock (B) | 123,529 shs. | 05/17/07 | 123,529 | - |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 35,006 shs. | 05/17/07 | 55,055 | - |
| | | | 1,621,990 | 1,345,401 |

CONSOLIDATED SCHEDULE

OF INVESTMENTS Babson Capital Corporate
(CONTINUED) InvestorsMarch 31, 2012
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|---------------------|------------|------------|
| Vitex Packaging Group, Inc. | | | | |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags. | | | | |
| 10% Senior Subordinated Note due 2012 | \$ 196,330 | 10/29/09 | \$ 195,435 | \$ 190,452 |
| 5% Senior Subordinated PIK Note due 2012 (D) | \$ 850,000 | 06/30/07 | 741,532 | 841,967 |
| Class B Unit (B) | 767,881 uts. | 10/29/09 | 348,058 | - |
| Class C Unit (B) | 850,000 uts. | 10/29/09 | 780,572 | 658,878 |
| 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. | | | 2,681,754 | 1,691,297 |
| Wellborn Forest Holding Company | | | | |
| A manufacturer of semi-custom kitchen and bath cabinetry. | | | | |
| 12.13% Senior Subordinated Note due 2014 | \$ 1,721,250 | 11/30/06 | 1,638,669 | 1,549,125 |
| Common Stock (B) | 191 shs. | 11/30/06 | 191,250 | - |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 95 shs. | 11/30/06 | 86,493 | - |
| | | | 1,916,412 | 1,549,125 |
| Wheaton Holding Corporation | | | | |
| A distributor and manufacturer of laboratory supply products and packaging. | | | | |
| 13% Senior Subordinated Note due 2017 | \$ 3,000,000 | 06/08/10 | 2,774,151 | 3,045,000 |
| Preferred Stock Series B (B) | 2,109 shs. | 06/08/10 | 210,924 | 259,169 |
| Common Stock (B) | 1,058 shs. | 06/08/10 | 1,058 | 129,962 |
| | | | 2,986,133 | 3,434,131 |
| 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 | 2,207,268 | 2,431,233 |
| Common Stock (B) | 616 shs. | 12/16/10 | 616,438 | 549,771 |
| Warrant, exercisable until 2018, to purchase | | | | |

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| | | | | |
|-------------------------------------|----------|----------|-----------|-----------|
| common stock at \$.02 per share (B) | 166 shs. | 12/16/10 | 148,003 | 147,726 |
| | | | 2,971,709 | 3,128,730 |

Workplace Media Holding Company

A direct marketer specializing in providing advertisers with access to consumers in the workplace.

13% Senior Subordinated Note due 2015

| | | | | |
|--|--------------|----------|-----------|---|
| (D) | \$ 1,235,800 | 05/14/07 | 1,136,081 | - |
| Limited Partnership Interest (B) | 23.16% int. | 05/14/07 | 115,804 | - |
| Warrant, exercisable until 2015, to purchase | | | | |
| common stock at \$.02 per share (B) | 88 shs. | 05/14/07 | 83,462 | - |
| | | | 1,335,347 | - |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|---------------|---------------|
| 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 | \$2,576,273 | 11/03/11 | \$2,526,908 | \$2,559,039 |
| Common Stock (B) | 4,500 shs. | 11/03/11 | 450,000 | 331,024 |
| | | | 2,976,908 | 2,890,063 |
| Xaloy Superior Holdings, Inc. | | | | |
| A provider of melt processing components and ancillary equipment for both plastic injection molding and extrusion applications. | | | | |
| 15% Senior Subordinated Note due 2015 | \$2,376,501 | 09/08/08 | 2,315,355 | 2,376,501 |
| Common Stock (B) | 283 shs. | 09/08/08 | 283,333 | 476,763 |
| | | | 2,598,688 | 2,853,264 |
| Total Private Placement Investments (E) | | | \$253,156,358 | \$231,732,822 |

Babson Capital Corporate
Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
March 31, 2012
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Due Date | Shares or Principal Amount | Cost | Market Value |
|---|------------------|-------------|----------------------------------|---------------|-----------------|
| Rule 144A Securities - 3.14%: | | | | | |
| Bonds - 3.09% | | | | | |
| Arch Coal, Inc. | 7.000 | % 06/15/19 | \$150,000 | \$150,000 | \$138,375 |
| Audatex North America, Inc. | 6.750 | 06/15/18 | 250,000 | 250,000 | 262,500 |
| Calpine Corporation | 7.500 | 02/15/21 | 750,000 | 771,149 | 800,625 |
| Coffeyville Resources LLC | 9.000 | 04/01/15 | 54,000 | 53,828 | 57,780 |
| Community Choice Financial, Inc. | 10.750 | 05/01/19 | 505,000 | 515,362 | 493,006 |
| First Data Corporation | 7.375 | 06/15/19 | 850,000 | 853,233 | 865,938 |
| FMG Resources | 7.000 | 11/01/15 | 750,000 | 776,325 | 765,000 |
| Georgia Gulf Corporation | 9.000 | 01/15/17 | 190,000 | 193,948 | 210,900 |
| Hilcorp Energy Company | 7.625 | 04/15/21 | 725,000 | 693,471 | 783,000 |
| International Automotive Component | 9.125 | 06/01/18 | 375,000 | 375,000 | 326,250 |
| Nexeo Solutions LLC | 8.375 | 03/01/18 | 40,000 | 40,000 | 39,600 |
| Northern Tier Energy LLC | 10.500 | 12/01/17 | 675,000 | 703,574 | 735,750 |
| Pittsburgh Glass Works, LLC | 8.500 | 04/15/16 | 70,000 | 70,000 | 69,650 |
| Reynolds Group Escrow, LLC | 7.750 | 10/15/16 | 750,000 | 793,325 | 793,125 |
| SandRidge Energy, Inc. | 8.000 | 06/01/18 | 360,000 | 363,193 | 367,200 |
| Valeant Pharmaceuticals International | 6.750 | 10/01/17 | 70,000 | 69,693 | 70,875 |
| Valeant Pharmaceuticals International | 7.000 | 10/01/20 | 880,000 | 881,836 | 875,600 |
| Total Bonds | | | | 7,553,937 | 7,655,174 |
| Convertible Preferred Stock - 0.00% | | | | | |
| ETEX Corporation (B) | | | 777 | - | - |
| Total Convertible Preferred Stock | | | | - | - |
| Preferred Stock - 0.04% | | | | | |
| Ally Financial | | | 143 | 45,009 | 119,132 |
| TherOX, Inc. (B) | | | 103 | - | - |
| Total Preferred Stock | | | | 45,009 | 119,132 |
| Common Stock - 0.00% | | | | | |
| Touchstone Health Partnership (B) | | | 1,168 | - | - |
| Total Common Stock | | | | - | - |
| Total Rule 144A Securities | | | | 7,598,946 | 7,774,306 |
| Total Corporate Restricted Securities | | | | \$260,755,304 | \$239,507,128 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Corporate Public Securities -9.55%: (A) | Interest Rate | Due Date | Principal Amount | Cost | Market Value |
|--|------------------|-------------|---------------------|-----------|-----------------|
| Bonds - 9.37% | | | | | |
| Affinia Group, Inc. | 9.000 | % 11/30/14 | \$ 50,000 | \$ 49,121 | \$ 50,500 |
| Alere, Inc. | 9.000 | 05/15/16 | 700,000 | 741,526 | 729,750 |
| American Axle & Manufacturing Holding, Inc. | 7.875 | 03/01/17 | 750,000 | 640,963 | 774,375 |
| Avis Budget Car Rental | 9.750 | 03/15/20 | 750,000 | 750,000 | 819,375 |
| B E Aerospace, Inc. | 6.875 | 10/01/20 | 850,000 | 870,702 | 930,750 |
| Berry Plastics Corporation (C) | 5.039 | 02/15/15 | 500,000 | 480,480 | 500,000 |
| Calumet Specialty Products Partners L.P. | 9.375 | 05/01/19 | 750,000 | 697,941 | 780,000 |
| CCO Holdings Capital Corporation | 7.250 | 10/30/17 | 750,000 | 769,909 | 804,375 |
| Chaparral Energy, Inc. | 8.875 | 02/01/17 | 1,000,000 | 995,097 | 1,045,000 |
| Chemtura Corporation | 7.875 | 09/01/18 | 500,000 | 529,531 | 537,500 |
| Clean Harbors, Inc. | 7.625 | 08/15/16 | 60,000 | 62,255 | 63,150 |
| Cooper-Standard Automotive | 8.500 | 05/01/18 | 750,000 | 799,291 | 806,250 |
| Crosstex Energy L.P. | 8.875 | 02/15/18 | 225,000 | 221,225 | 239,063 |
| Energy Future Holdings | 10.000 | 01/15/20 | 400,000 | 403,248 | 434,000 |
| Energy Transfer Equity LP | 7.500 | 10/15/20 | 100,000 | 100,000 | 111,000 |
| Evertec, Inc. | 11.000 | 10/01/18 | 585,000 | 603,649 | 636,188 |
| Fidelity National Information | 7.875 | 07/15/20 | 125,000 | 125,000 | 138,750 |
| Goodrich Petroleum Corporation | 8.875 | 03/15/19 | 360,000 | 360,000 | 349,200 |
| HCA Holdings, Inc. | 7.750 | 05/15/21 | 1,000,000 | 1,047,437 | 1,033,750 |
| Headwaters, Inc. | 7.625 | 04/01/19 | 850,000 | 850,227 | 826,625 |
| Health Management Association | 6.125 | 04/15/16 | 750,000 | 773,069 | 784,688 |
| Huntington Ingalls Industries | 7.125 | 03/15/21 | 750,000 | 780,373 | 803,438 |
| Inergy, L.P. | 7.000 | 10/01/18 | 200,000 | 200,000 | 195,000 |
| Landry's Restaurants, Inc. | 11.625 | 12/01/15 | 165,000 | 174,113 | 183,769 |
| Libbey Glass, Inc. | 10.000 | 02/15/15 | 113,000 | 116,666 | 120,769 |
| Mediacom Broadband LLC | 8.500 | 10/15/15 | 750,000 | 767,339 | 772,500 |
| Michael Foods, Inc. | 9.750 | 07/15/18 | 75,000 | 75,000 | 82,406 |
| Nexstar Broadcasting Group, Inc. | 8.875 | 04/15/17 | 175,000 | 174,124 | 187,688 |
| NRG Energy, Inc. | 8.500 | 06/15/19 | 750,000 | 774,304 | 755,625 |
| Pinnacle Foods Finance LLC | 9.250 | 04/01/15 | 300,000 | 305,572 | 308,250 |
| Precision Drilling Corporation | 6.625 | 11/15/20 | 750,000 | 774,088 | 785,625 |
| Pregis Corporation | 12.375 | 10/15/13 | 1,000,000 | 995,133 | 1,005,600 |
| Quebecor Media, Inc. | 7.750 | 03/15/16 | 1,050,000 | 1,008,115 | 1,077,563 |
| Quiksilver, Inc. | 6.875 | 04/15/15 | 315,000 | 298,950 | 316,575 |
| Spectrum Brands, Inc. | 9.500 | 06/15/18 | 125,000 | 123,569 | 140,938 |
| Sprint Nextel Corporation | 6.000 | 12/01/16 | 1,000,000 | 1,027,215 | 892,500 |
| Tekni-Plex, Inc. | 8.750 | 11/15/13 | 579,000 | 580,703 | 496,493 |
| Thermadyne Holdings Corporation | 9.000 | 12/15/17 | 750,000 | 799,218 | 768,750 |

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012
(Unaudited)

| Corporate Public Securities - (A) (Continued) | Interest Rate | Due Date | Shares or Principal Amount | Cost | Market Value |
|--|-------------------------|-------------|----------------------------------|----------------|-----------------|
| Tomkins, Inc. | 9.250 | % 10/01/18 | \$ 297,000 | \$ 297,000 | \$ 328,928 |
| Trimas Corporation | 9.750 | 02/01/15 | 75,000 | 73,806 | 82,875 |
| Tutor Perini Corporation | 7.625 | 11/01/18 | 700,000 | 720,259 | 707,000 |
| United Rentals, Inc. | 10.875 | 06/15/16 | 125,000 | 122,447 | 141,563 |
| Venoco, Inc. | 8.875 | 02/15/19 | 500,000 | 509,511 | 457,500 |
| Visteon Corporation | 6.750 | 04/15/19 | 200,000 | 200,000 | 203,000 |
| Total Bonds | | | | 22,768,176 | 23,208,644 |
| Common Stock - 0.18% | | | | | |
| Bally Total Fitness Holding Corporation (B) (F) | | | 29 | 2 | 5 |
| Chase Packaging Corporation (B) | | | 9,541 | - | 477 |
| Intrepid Potash, Inc. (B) | | | 365 | 11,680 | 8,880 |
| Nortek, Inc. (B) | | | 175 | 1 | 7,698 |
| Rue21, Inc. (B) | | | 650 | 12,350 | 19,071 |
| Supreme Industries, Inc. (B) | | | 125,116 | 267,319 | 400,371 |
| Total Common Stock | | | | 291,352 | 436,502 |
| Total Corporate Public Securities | | | | \$ 23,059,528 | \$ 23,645,146 |
| Short-Term Securities: | | | | | |
| | Interest Rate/Yield^ | Due Date | Principal Amount | Cost | Market Value |
| Commercial Paper - 3.23% | | | | | |
| Glencore Funding LLC | 0.550 | % 04/13/12 | \$ 3,000,000 | \$ 2,999,450 | \$ 2,999,450 |
| Harris Corporation | 0.400 | 04/12/12 | 2,000,000 | 1,999,755 | 1,999,755 |
| Ryder System, Inc. | 0.400 | 04/05/12 | 3,000,000 | 2,999,867 | 2,999,867 |
| Total Short-Term Securities | | | | \$ 7,999,072 | \$ 7,999,072 |
| Total Investments | 109.48 | % | | \$ 291,813,904 | \$ 271,151,346 |
| Other Assets | 3.57 | | | | 8,837,003 |
| Liabilities | (13.05 |) | | | (32,304,707) |
| Total Net Assets | 100.00 | % | | | \$ 247,683,642 |

(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, 2012.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of March 31, 2012, the value of these securities amounted to \$231,732,822 or 93.56% of net assets.

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

^ Effective yield at purchase

PIK - Payment-in-kind

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Industry Classification: | Fair Value/ Market Value | Fair Value/ Market Value | |
|------------------------------------|-----------------------------|--------------------------------------|------------|
| AEROSPACE - 2.95% | | BROADCASTING & ENTERTAINMENT - 0.08% | |
| A E Company, Inc. | \$ 366,847 | HOP Entertainment LLC | \$ - |
| B E Aerospace, Inc. | 930,750 | Nexstar Broadcasting | |
| Merex Holding Corporation | 1,546,687 | Group, Inc. | 187,688 |
| Visioneering, Inc. | 1,345,401 | Sundance Investco LLC | - |
| Whitcraft Holdings, Inc. | 3,128,730 | Workplace Media Holding | |
| | 7,318,415 | Company | - |
| | | | 187,688 |
| AUTOMOBILE - 6.34% | | BUILDINGS & REAL ESTATE - 2.61% | |
| American Axle & Manufacturing | | K W P I Holdings | |
| Holding, Inc. | 774,375 | Corporation | 2,530,336 |
| Audatex North America, Inc. | 262,500 | Sunrise Windows Holding | |
| Avis Budget Car Rental | 819,375 | Company | 3,013,488 |
| Cooper-Standard Automotive | 806,250 | TruStile Doors, Inc. | 217,254 |
| F H Equity LLC | 3,253,789 | Tutor Perini Corporation | 707,000 |
| International Automotive Component | 326,250 | | 6,468,078 |
| J A C Holding Enterprises, Inc. | 2,265,417 | CHEMICAL, PLASTICS & RUBBER -1.16% | |
| Jason Partners Holdings LLC | 48,185 | Capital Specialty Plastics, | |
| K & N Parent, Inc. | 2,931,370 | Inc. | 1,190,167 |
| Nyloncraft, Inc. | 800,703 | Nicoat Acquisitions LLC | 1,674,489 |
| Ontario Drive & Gear Ltd. | 1,828,381 | | 2,864,656 |
| Pittsburgh Glass Works, LLC | 69,650 | CONSUMER PRODUCTS - | |
| Qualis Automotive LLC | 987,214 | 9.25% | |
| Tomkins, Inc. | 328,928 | Aero Holdings, Inc. | 2,809,688 |
| Visteon Corporation | 203,000 | Bravo Sports Holding | |
| | 15,705,387 | Corporation | 570,398 |
| BEVERAGE, DRUG & FOOD - 7.03% | | Custom Engineered Wheels, | |
| Eatem Holding Company | 3,201,984 | Inc. | 2,333,232 |
| F F C Holding Corporation | 3,299,292 | Handi Quilter Holding | |
| Golden County Foods Holding, Inc. | - | Company | 1,526,416 |
| Hospitality Mints Holding Company | 2,720,444 | K N B Holdings Corporation | 4,491,143 |
| Landry's Restaurants, Inc. | 183,769 | Manhattan Beachwear | |
| | | Holding Company | 2,955,874 |
| | | R A J Manufacturing | |
| | | Holdings LLC | 1,589,156 |
| | | Tranzonic Companies (The) | 3,732,796 |
| | | WP Supply Holding | |
| | | Corporation | 2,890,063 |
| | | | 22,898,766 |
| | | CONTAINERS, PACKAGING & GLASS -5.06% | |
| | | Berry Plastics Corporation | 500,000 |
| | | | 477 |

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| | | | |
|-------------------------------|------------|-----------------------------|------------|
| Michael Foods, Inc. | 82,406 | Chase Packaging Corporation | 459,192 |
| Snacks Parent Corporation | 2,933,626 | Flutes, Inc. | 3,580,311 |
| Spartan Foods Holding Company | 2,174,550 | P K C Holding Corporation | 3,195,941 |
| Specialty Commodities, Inc. | 2,826,398 | P P T Holdings LLC | 1,594,391 |
| | 17,422,469 | Paradigm Packaging, Inc. | 1,005,600 |
| | | Pregis Corporation | 496,493 |
| | | Tekni-Plex, Inc. | 1,691,297 |
| | | Vitex Packaging Group, Inc. | 12,523,702 |

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value | Fair Value/ Market Value | |
|--------------------------------------|-----------------------------|--|--------------|
| DISTRIBUTION - 2.55% | | DIVERSIFIED/CONGLOMERATE, SERVICE - 10.17% | |
| Duncan Systems, Inc. | \$ 1,159,443 | A S C Group, Inc. | \$ 3,248,305 |
| F C X Holdings Corporation | 3,662,300 | A W X Holdings Corporation | 661,500 |
| | | Advanced Technologies | |
| RM Holding Company | 1,497,433 | Holdings | 1,238,106 |
| | 6,319,176 | Affinia Group, Inc. | 50,500 |
| | | Apex Analytix Holding | |
| DIVERSIFIED/CONGLOMERATE, | | Corporation | 2,511,999 |
| | | Associated Diversified | |
| MANUFACTURING - 16.91% | | Services | 1,834,867 |
| | | Church Services Holding | |
| A H C Holding Company, Inc. | 2,974,523 | Company | 1,482,631 |
| | | Clough, Harbour and | |
| Arrow Tru-Line Holdings, Inc. | 1,294,108 | Associates | 2,761,733 |
| C D N T, Inc. | 1,314,257 | Crane Rental Corporation | 2,213,798 |
| F G I Equity LLC | 4,163,529 | ELT Holding Company | 2,962,368 |
| | | Insurance Claims | |
| G C Holdings | 3,060,000 | Management, Inc. | 494,905 |
| | | Mail Communications Group, | |
| Harris Corporation | 1,999,755 | Inc. | 465,290 |
| HGGC Citadel Plastics Holdings | 2,956,702 | Nexeo Solutions LLC | 39,600 |
| | | Northwest Mailing Services, | |
| Ideal Tridon Holdings, Inc. | 3,027,477 | Inc. | 3,007,783 |
| K P H I Holdings, Inc. | 3,063,757 | Pearlman Enterprises, Inc. | - |
| K P I Holdings, Inc. | 2,605,689 | Safety Infrastructure Solutions | 2,235,167 |
| LPC Holding Company | 3,035,227 | | 25,208,552 |
| MEGTEC Holdings, Inc. | 632,005 | ELECTRONICS - 1.63% | |
| Nortek, Inc. | 7,698 | Barcodes Group, Inc. | 2,606,494 |
| O E C Holding Corporation | 1,449,805 | Connecticut Electric, Inc. | 1,433,582 |
| Postle Aluminum Company LLC | 5,159,611 | | 4,040,076 |
| | | FINANCIAL SERVICES - | |
| Trimas Corporation | 82,875 | 1.77% | |
| Truck Bodies & Equipment | | | |
| International | 2,194,064 | Ally Financial | 119,132 |
| | | Community Choice Financial, | |
| Xaloy Superior Holdings, Inc. | 2,853,264 | Inc. | 493,006 |
| | 41,874,346 | DPC Holdings LLC | 2,981,350 |
| | | Reynolds Group Escrow, LLC | 793,125 |
| | | | 4,386,613 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2012

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value | | Fair Value/ Market Value |
|---|-----------------------------|--|----------------------------------|
| HEALTHCARE, EDUCATION & CHILDCARE - 9.32% | | MACHINERY - 6.95% | |
| Alere, Inc. | \$ 729,750 | A S A P Industries LLC | \$ 1,117,777 |
| American Hospice Management Holding LLC | 4,149,439 | Arch Global Precision LLC | 2,965,980 |
| CHG Alternative Education Holding Company | 2,348,973 | E S P Holdco, Inc. | 2,842,629 |
| Healthcare Direct Holding Company | 2,228,412 | M V I Holding, Inc. | 1,425,486 |
| Marshall Physicians Services LLC | 1,487,998 | Motion Controls Holdings | 3,209,233 |
| SouthernCare Holdings, Inc. | 3,032,438 | NetShape Technologies, Inc. | 1,557,270 |
| Strata/WLA Holding Corporation | 2,927,486 | Pacific Consolidated Holdings LLC | 567,445 |
| Synteract Holdings Corporation | 2,740,436 | Power Services Holding Company | 2,363,489 |
| Touchstone Health Partnership | - | Supreme Industries, Inc. Thermadyne Holdings Corporation | 400,371 768,750 17,218,430 |
| Wheaton Holding Corporation | 3,434,131 23,079,063 | | |
| HOME & OFFICE FURNISHINGS, HOUSEWARES & DURABLE CONSUMER PRODUCTS - 4.58% | | MEDICAL DEVICES/BIOTECH - 5.35% | |
| Connor Sport Court International, Inc. | 1,963,007 | Chemtura Corporation | 537,500 |
| H M Holding Company | 342,550 | Coeur, Inc. | 1,361,419 |
| Home Décor Holding Company | 514,691 | E X C Acquisition Corporation | 47,946 |
| Libbey Glass, Inc. | 120,769 | ETEX Corporation | - |
| Monessen Holding Corporation | - | Evertec, Inc. | 636,188 |
| Quiksilver, Inc. | 316,575 | HCA Holdings, Inc. | 1,033,750 |
| Royal Baths Manufacturing Company | 573,551 | Health Management Association | 784,688 |
| Spectrum Brands, Inc. | 140,938 | MedSystems Holdings LLC | 1,312,763 |
| Stanton Carpet Holding Company | 2,072,264 | MicroGroup, Inc. | 671,403 |
| Transpac Holding Company | 1,864,110 | NT Holding Company | 3,049,685 |
| | | OakRiver Technology, Inc. Precision Wire Holding Company | 916,637 2,888,702 |

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| | | | |
|--|-------------------------|--|-----------------------------------|
| U-Line Corporation | 1,156,955 | TherOX, Inc. | - |
| U M A Enterprises, Inc. | 727,217 | | 13,240,681 |
| Wellborn Forest Holding Company | 1,549,125 11,341,752 | MINING, STEEL, IRON & NON-PRECIOUS METALS - 1.65% | |
| LEISURE, AMUSEMENT & ENTERTAINMENT- 0.00% | | FMG Resources | 765,000 |
| Bally Total Fitness Holding Corporation | 5 | Glencore Funding LLC T H I Acquisition, Inc. | 2,999,450 319,134 4,083,584 |

Babson Capital Corporate

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) Investors

March 31, 2012

(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value | | Fair Value/ Market Value |
|--|-----------------------------|------------------------------------|-----------------------------|
| NATURAL RESOURCES - 0.63% | | | |
| Arch Coal, Inc. | \$ 138,375 | | |
| Georgia Gulf Corporation | 210,900 | | |
| Headwaters, Inc. | 826,625 | | |
| Intrepid Potash, Inc. | 8,880 | | |
| SandRidge Energy, Inc. | 367,200 | | |
| | 1,551,980 | | |
| OIL & GAS - 4.83% | | | |
| Calumet Specialty Products Partners L.P. | 780,000 | | |
| Chaparral Energy, Inc. | 1,045,000 | | |
| Coffeyville Resources LLC | 57,780 | | |
| Energy Transfer Equity LP | 111,000 | | |
| Goodrich Petroleum Corporation | 349,200 | | |
| Hilcorp Energy Company | 783,000 | | |
| International Offshore Services LLC | 1,275,000 | | |
| MBWS Ultimate Holdco, Inc. | 5,580,625 | | |
| Northern Tier Energy LLC | 735,750 | | |
| Precision Drilling Corporation | 785,625 | | |
| Venoco, Inc. | 457,500 | | |
| | 11,960,480 | | |
| PHARMACEUTICALS - 1.72% | | | |
| CorePharma LLC | 3,321,199 | | |
| Valeant Pharmaceuticals International | 946,475 | | |
| | 4,267,674 | | |
| PUBLISHING/PRINTING - 0.54% | | | |
| Newark Group, Inc. | 259,422 | | |
| Quebecor Media, Inc. | 1,077,563 | | |
| | 1,336,985 | | |
| RETAIL STORES - 0.19% | | | |
| Pinnacle Foods Finance LLC | 308,250 | | |
| Rue21, Inc. | 19,071 | | |
| United Rentals, Inc. | 141,563 | | |
| | 468,884 | | |
| TECHNOLOGY - 1.59% | | | |
| Fidelity National Information | 138,750 | | |
| First Data Corporation | 865,938 | | |
| Sencore Holding Company | - | | |
| TELECOMMUNICATIONS - 1.54% | | | |
| All Current Holding Company | | \$ 1,354,569 | |
| CCO Holdings Capital Corporation | | 804,375 | |
| Mediacom Broadband LLC | | 772,500 | |
| Sprint Nextel Corporation | | 892,500 | |
| | | 3,823,944 | |
| TRANSPORTATION - 1.6% | | | |
| Huntington Ingalls Industries | | 803,438 | |
| NABCO, Inc. | | | |
| Ryder System, Inc. | | 156,250 | |
| | | 2,999,867 | |
| | | 3,959,555 | |
| UTILITIES - 0.98% | | | |
| Calpine Corporation | | 800,625 | |
| Crosstex Energy L.P. | | 239,063 | |
| Energy Future Holdings | | | |
| Inergy, L.P. | | 434,000 | |
| NRG Energy, Inc. | | 195,000 | |
| | | 755,625 | |
| | | 2,424,313 | |
| WASTE MANAGEMENT/POLLUTION - 0.5% | | | |
| Clean Harbors, Inc. | | 63,150 | |
| Terra Renewal LLC | | 1,187,385 | |
| Torrent Group Holdings, Inc. | | - | |
| | | 1,250,535 | |
| | | Total Investments - 109.48% | \$ 271,151,346 |

| | |
|---------------------------|-----------|
| Smart Source Holdings LLC | 2,920,869 |
| | 3,925,557 |

FAIR VALUE HIERARCHY

The Company 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, 2012:

| Assets: | Total | Level 1 | Level 2 | Level 3 |
|-----------------------|----------------|------------|---------------|----------------|
| Restricted Securities | | | | |
| Corporate Bonds | \$ 196,367,082 | \$ - | \$ 7,655,174 | \$ 188,711,908 |
| Common Stock - U.S. | 19,864,183 | - | - | 19,864,183 |
| Preferred Stock | 9,847,708 | - | 119,132 | 9,728,576 |
| Partnerships and LLCs | 13,428,155 | - | - | 13,428,155 |
| Public Securities | | | | |
| Corporate Bonds | 23,208,644 | - | 23,208,644 | - |
| Common Stock - U.S. | 436,502 | 436,497 | - | 5 |
| Short-term Securities | 7,999,072 | - | 7,999,072 | - |
| Total | \$ 271,151,346 | \$ 436,497 | \$ 38,982,022 | \$ 231,732,827 |

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

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

| Assets: | Beginning balance at 12/31/2011 | Included in earnings | Purchases | Sales | Prepayments | Transfers in and/or out of Level 3 | Ending balance at 03/31/2012 |
|-----------------------|---------------------------------|----------------------|---------------|---------------|----------------|------------------------------------|------------------------------|
| Restricted Securities | | | | | | | |
| Corporate Bonds | \$ 190,217,815 | \$(568,003) | \$ 15,641,308 | \$(5,253,776) | \$(11,325,436) | \$- | \$ 188,711,908 |
| Common Stock - U.S. | 21,607,181 | (132,804) | 1,134,180 | (2,744,374) | - | - | 19,864,183 |
| Preferred Stock | 12,275,194 | (1,487,099) | 370,796 | (1,430,315) | - | - | 9,728,576 |

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| | | | | | | | |
|--------------------------|---------------|---------------|--------------|---------------|----------------|-----|---------------|
| Partnerships and LLCs | 13,205,570 | 222,585 | - | - | - | - | 13,428,155 |
| Public Securities | | | | | | | |
| Common Stock | 7 | (2 |) | - | - | - | 5 |
| | \$237,305,767 | \$(1,965,233) | \$17,146,284 | \$(9,428,465) | \$(11,325,436) | \$- | \$231,732,827 |

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, 2012

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, 2012

By (Signature and Title)*

/s/ James M. Roy

James M. Roy, Vice President and
Chief Financial Officer

Date May 30, 2012

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