

BABSON CAPITAL CORPORATE INVESTORS

Form N-30D

May 31, 2012

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Adviser	Transfer Agent & Registrar
Babson Capital Management LLC	DST Systems, Inc.
1500 Main Street, P.O. Box 15189	P.O. Box 219086
Springfield, Massachusetts	Kansas City, MO 64121-9086
01115-5189	1-800-647-7374

Independent Registered Public Accounting Firm	Internet Website
KPMG LLP	<a href="http://www.babsoncapital.com/mci">www.babsoncapital.com/mci</a>
Boston, Massachusetts 02110	

Counsel to the Trust	Babson Capital Corporate Investors
Ropes & Gray LLP	c/o Babson Capital Management LLC
Boston, Massachusetts 02110	1500 Main Street, Suite 2200

Custodian	Springfield, Massachusetts 01115
State Street Bank and Trust Company	(413) 226-1516
Boston, Massachusetts 02116	

#### Investment Objective and Policy

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

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

#### Form N-Q

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

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

the capacity of the issuer to pay interest and repay principal.

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

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Babson Capital Corporate Investors

TO OUR SHAREHOLDERS

April 30, 2012

We are pleased to present the March 31, 2012 Quarterly Report of Babson Capital Corporate Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of 30 cents per share, payable on May 18, 2012 to shareholders of record on May 7, 2012. The Trust paid a 30 cent per share dividend for the preceding quarter (plus a special year-end dividend of 15 cents per share). The Trust earned 32 cents per share of net investment income for the first quarter of 2012, compared to 28 cents per share in the previous quarter.

During the first quarter, the net assets of the Trust increased to \$247,683,642 or \$12.95 per share compared to \$241,943,534 or \$12.69 per share on December 31, 2011. This translates into a 2.1% total return for the quarter, based on the change in the Trust's net assets assuming the reinvestment of all dividends. Longer term, the Trust returned 10.2%, 17.0%, 8.0%, 12.5%, and 12.7% for the 1-, 3-, 5-, 10-, and 25-year time periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends.

The Trust's share price decreased 7.7% during the quarter, from \$17.99 per share as of December 31, 2011 to \$16.61 per share as of March 31, 2012. The Trust's market price of \$16.61 per share equates to a 28.3% premium over the March 31, 2012 net asset value per share of \$12.95. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 12.9%, 13.6% and 11.1%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 12.4% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 5.3% for the quarter.

The Trust closed six new private placement investments and two "follow-on" investments in existing portfolio companies during the first quarter. The six new investments were in Church Services Holding Company, ELT Holding Company, Healthcare Direct Holding Company, HGGC Citadel Plastics Holdings, RM Holding Company and Safety Infrastructure Solutions, while the two follow-on investments were in FCX Holdings Corporation and FGI Equity LLC. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these transactions was \$13.3 million.

U.S. middle market buyout activity was down substantially in the first quarter of 2012 compared to the first quarter of 2011. While the first quarter is typically a slow period for buyout activity, the fall-off in volume versus the prior year was a surprise to most market participants. In light of the market slowdown, we were pleased to be able to add the six new platform investments and two "follow-on" investments noted above to the Trust's portfolio during the quarter. Many market participants expect deal flow to improve throughout the rest of the year, due to factors such as an abundant supply of debt and equity capital, and the proposed changes in capital-gains tax rates due to be enacted in 2013. Our deal flow has remained steady into the second quarter of 2012 and we are optimistic it will remain strong throughout the rest of 2012. Leverage multiples are starting to become a bit of a concern as the scarcity of deal flow has led some lenders to offer higher leverage levels and more aggressive pricing as a way to win deals. We think that is a flawed approach. Instead, we will maintain the same discipline and investment philosophy, based on taking prudent levels of risk and getting paid appropriately for the risks taken, that has served us well for so many years.

(Continued)



We are pleased with the continued improvement in the operating performance of most of our portfolio companies in the first quarter of 2012. Realization activity for the Trust also remains strong. We had three companies sold for nice gains in the first quarter, Milwaukee Gear Company, REI Delaware Holding, Inc., and Savage Sports Holdings, Inc. We have a healthy backlog of companies in the process of being sold and expect 2012 to be a good year for realizations. Refinancing activities, in which the Trust's subordinated note holdings are fully or partially prepaid, continues at a high level, as companies seek to take advantage of lower interest rates and credit availability. As mentioned in prior reports, strong realization and refinancing activity is a double-edged sword, as the resulting loss of income-producing investments could adversely impact the Trust's ability to sustain its dividend level. We have been fortunate that our new investment activity in recent periods has been strong and has had a positive impact on net investment income. We will need to maintain a robust level of new investment activity in the face of expected high levels of realization and refinancing activity.

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

Sincerely,

Michael L. Klofas  
President

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

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

## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

March 31, 2012

(Unaudited)

Babson Capital Corporate  
Investors

## Assets:

## Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value

(Cost - \$253,156,358)

\$231,732,822

Corporate restricted securities at market value

(Cost - \$7,598,946)

7,774,306

Corporate public securities at market value

(Cost - \$23,059,528)

23,645,146

Short-term securities at amortized cost

7,999,072

Total investments (Cost - \$291,813,904)

271,151,346

Cash

6,216,762

Interest receivable

2,544,706

Other assets

75,535

Total assets

279,988,349

## Liabilities:

Note payable

30,000,000

Deferred tax liability

1,101,499

Investment advisory fee payable

774,011

Interest payable

202,400

Accrued expenses

226,797

Total liabilities

32,304,707

Total net assets

\$247,683,642

## Net Assets:

Common shares, par value \$1.00 per share

\$19,125,136

Additional paid-in capital

109,094,912

Retained net realized gain on investments, prior years

127,807,139

Undistributed net investment income

8,940,514

Accumulated net realized gain on investments

4,479,998

Net unrealized depreciation of investments

(21,764,057 )

Total net assets

\$247,683,642

Common shares issued and outstanding (23,718,670 authorized)

19,125,136

Net asset value per share

\$12.95

See Notes to Consolidated Financial Statements

## CONSOLIDATED STATEMENT OF OPERATIONS

For the three months ended March 31, 2012

(Unaudited)

Investment Income:	
Interest	\$6,862,188
Dividends	516,642
Other	99,541
Total investment income	7,478,371
Expenses:	
Investment advisory fees	774,011
Interest	396,295
Trustees' fees and expenses	120,000
Professional fees	67,885
Reports to shareholders	27,000
Custodian fees	8,400
Other	15,278
Total expenses	1,408,869
Investment income - net	6,069,502
Net realized and unrealized gain/loss on investments:	
Net realized gain on investments before taxes	2,461,727
Income tax expense	(175 )
Net realized gain on investments after taxes	2,461,552
Net change in unrealized depreciation of investments before taxes	(3,611,423)
Net change in deferred income tax expense	(107,764 )
Net change in unrealized depreciation of investments after taxes	(3,719,187)
Net loss on investments	(1,257,635)
Net increase in net assets resulting from operations	\$4,811,867

See Notes to Consolidated Financial Statements



CONSOLIDATED STATEMENT OF CASH FLOWS      Babson Capital Corporate Investors  
 For the three months ended March 31, 2012  
 (Unaudited)

Net decrease in cash:	
Cash flows from operating activities:	
Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$(3,733,485 )
Purchases of portfolio securities	(15,914,343)
Proceeds from disposition of portfolio securities	21,990,962
Interest, dividends and other income received	6,110,899
Interest expense paid	(396,000 )
Operating expenses paid	(988,577 )
Income taxes paid	(175 )
Net cash provided by operating activities	7,069,281
Cash flows from financing activities:	
Cash dividends paid from net investment income	(8,581,595 )
Receipts for shares issued on reinvestment of dividends	928,241
Net cash used for financing activities	(7,653,354 )
Net decrease in cash	(584,073 )
Cash - beginning of year	6,800,835
Cash - end of period	\$6,216,762
Reconciliation of net increase in net assets to net cash provided by operating activities:	
Net increase in net assets resulting from operations	\$4,811,867
Decrease in investments	1,896,870
Decrease in interest receivable	129,130
Decrease in other assets	99,358
Increase in deferred tax liability	107,764
Increase in investment advisory fee payable	17,937
Increase in interest payable	295
Increase in accrued expenses	6,060
Total adjustments to net assets from operations	2,257,414
Net cash provided by operating activities	\$7,069,281

See Notes to Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	For the three months ended 03/31/2012(Unaudited)	For the year ended 12/31/2011
Increase in net assets:		
Operations:		
Investment income - net	\$ 6,069,502	\$24,417,226
Net realized gain on investments after taxes	2,461,552	848,378
Net change in unrealized depreciation of investments after taxes	(3,719,187	) 2,341,410
Net increase in net assets resulting from operations	4,811,867	27,607,014
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2012 - 54,926; 2011 - 156,934)	928,241	2,426,607
Dividends to shareholders from:		
Net investment income (2012 - \$0.00 per share; 2011 - \$01.34 per share)	-	(25,488,812 )
Net realized gains (2012 - \$0.00; 2011 - \$0.01 per share)	-	(186,150 )
Total increase in net assets	5,740,108	4,358,659
Net assets, beginning of year	241,943,534	237,584,875
Net assets, end of period/year (including undistributed net investment income of \$8,940,514 and \$2,871,012, respectively)	\$ 247,683,642	\$241,943,534

See Notes to Consolidated Financial Statements

CONSOLIDATED SELECTED FINANCIAL  
HIGHLIGHTS

Babson Capital Corporate Investors

Selected data for each share of beneficial interest  
outstanding:

	For the three months ended 03/31/2012 (Unaudited)(a)	For the years ended December 31, 2011(a)	2010(a)	2009(a)	2008(a)	2007(a)
Net asset value:						
Beginning of year	\$ 12.69	\$ 12.56	\$ 11.45	\$ 11.17	\$ 13.60	\$ 13.76
Net investment income (b)	0.32	1.29	1.13	1.03	1.16	1.28
Net realized and unrealized gain (loss) on investments	(0.07 )	0.17	1.06	0.33	(2.51 )	(0.17 )
Total from investment operations	0.25	1.46	2.19	1.36	(1.35 )	1.11
Dividends from net investment income to common shareholders	-	(1.34 )	(1.08 )	(1.08 )	(1.08 )	(1.29 )
Dividends from net investment income to common shareholders	-	(0.01 )	-	-	-	-
Increase from dividends reinvested	0.01	0.02	0.00(c )	0.00(c )	0.00(c )	0.02
Total dividends	0.01	(1.33 )	(1.08 )	(1.08 )	(1.08 )	(1.27 )
Net asset value: End of period/year	\$ 12.95	\$ 12.69	\$ 12.56	\$ 11.45	\$ 11.17	\$ 13.60
Per share market value:						
End of period/year	\$ 16.61	\$ 17.99	\$ 15.28	\$ 12.55	\$ 9.63	\$ 15.10
Total investment return						
Net asset value (d)	2.05%	12.00%	19.81%	12.64%	(10.34% )	8.72%
Market value (d)	(7.67% )	27.92%	31.73%	39.89%	(30.44% )	(8.78% )
Net assets (in millions):						
End of period/year	\$ 247.68	\$ 241.94	\$ 237.58	\$ 214.44	\$ 208.14	\$ 251.16
Ratio of operating expenses to average net assets	1.66%(f)	1.62%	1.60%	1.58%	1.49%	1.55%
Ratio of interest expense to average net assets	0.65%(f)	0.64%	0.70%	0.75%	0.67%	0.59%
Ratio of income tax expense						

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to average net assets (e)	0.00%(f)	0.16%	0.27%	0.00%	0.00%	0.35%
Ratio of total expenses to average net assets	2.31%(f)	2.42%	2.57%	2.33%	2.16%	2.49%
Ratio of net investment income to average net assets	9.96%(f)	9.91%	9.46%	9.06%	9.01%	9.17%
Portfolio turnover	6%	21%	39%	23%	32%	35%

- (a) Per share amounts were adjusted to reflect a 2:1 stock split effective February 18, 2011.
- (b) Calculated using average shares.
- (c) Rounds to less than \$0.01 per share.
- (d) Net asset value return represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions which differs from the total investment return based on the Trust's market value due to the difference between the Trust's net asset value and the market value of its shares outstanding; past performance is no guarantee of future results.
- (e) As additional information, this ratio is included to reflect the taxes paid on retained long-term gains. These taxes paid are netted against realized capital gains in the Statement of Operations. The taxes paid are treated as deemed distributions and a credit for the taxes paid is passed on to shareholders.
- (f) Annualized

Senior borrowings:

Total principal amount (in millions)	\$30	\$30	\$30	\$30	\$30	\$30
Asset coverage per \$1,000 of indebtedness	\$9,256	\$9,065	\$8,919	\$8,148	\$7,938	\$9,372

See Notes to Consolidated Financial Statements

## 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. 2,782 uts.	* 10/09/09	405,691 273,352	541,802 365,139

Limited Liability Company Unit  
Class B (B)

\* 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
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13% Senior Subordinated Note due

2015 (D)	\$ 735,000	05/15/08	673,096	-
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Common Stock (B)

105,000 shs.	05/15/08	105,000	-
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Warrant, exercisable until 2015, to purchase

common stock at \$.01 per share (B)	36,923 shs.	05/15/08	62,395	-
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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
<b>Advanced Technologies Holdings</b>				
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
<b>Aero Holdings, Inc.</b>				
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
<b>All Current Holding Company</b>				
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
<b>American Hospice Management Holding LLC</b>				
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.				
<b>Apex Analytix Holding Corporation</b>				
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
<b>Arch Global Precision LLC</b>					
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	
<b>Arrow Tru-Line Holdings, Inc.</b>					
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	
<b>Associated Diversified Services</b>					
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	
<b>Barcodes Group, Inc.</b>					
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
Preferred Stock Class A (B)	879 shs.	06/30/06	268,121	-
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	-
			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
<b>C D N T, Inc.</b>				
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
<b>Capital Specialty Plastics, Inc.</b>				
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.				
<b>CHG Alternative Education Holding Company</b>				
A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs.				
13.5% Senior Subordinated Note due 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
<b>Church Services Holding Company</b>				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
14.5% Senior Subordinated Note due 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
<b>Clough, Harbour and Associates</b>				
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
<b>Connecticut Electric, Inc.</b>				
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)	112,873 uts.	01/12/07	156,046	12,447
Limited Liability Company Unit Class C (B)	1,268,437 uts.	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
<b>Connor Sport Court International, Inc.</b>				
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
<b>CorePharma LLC</b>				
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
<b>Crane Rental Corporation</b>				
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
<b>DPC Holdings LLC</b>				
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
<b>Duncan Systems, Inc.</b>				
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
<b>E S P Holdco, Inc.</b>				
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
<b>E X C Acquisition Corporation</b>				
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
<b>Eatem Holding Company</b>				
A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products produced by food manufacturers for retail and foodservice end products.				
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
<b>F C X Holdings Corporation</b>					
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	
<b>F F C Holding Corporation</b>					
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	
<b>F G I Equity LLC</b>					
A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.					
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
<b>Golden County Foods Holding, Inc.</b>				
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	-
<b>H M Holding Company</b>				
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
<b>Handi Quilter Holding Company</b>				
A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.				
12% Senior Subordinated Note due 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
<b>Healthcare Direct Holding Company</b>				
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
<b>HGGC Citadel Plastics Holdings</b>				

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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
<b>Home Décor Holding Company</b>					
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.					
<b>HOP Entertainment LLC</b>					
A provider of post production equipment and services to producers of television shows and motion pictures.					
Limited Liability Company Unit					
Class F (B)	89 uts.		10/14/11	-	-
Limited Liability Company Unit					
Class G (B)	215 uts.		10/14/11	-	-
Limited Liability Company Unit					
Class H (B)	89 uts.		10/14/11	-	-
Limited Liability Company Unit					
Class I (B)	89 uts.		10/14/11	-	-
				-	-
<b>Hospitality Mints Holding Company</b>					
A manufacturer of individually-wrapped imprinted promotional mints.					
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
<b>Ideal Tridon Holdings, Inc.</b>					
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
<b>Insurance Claims Management, Inc.</b>					
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
<b>J A C Holding Enterprises, Inc.</b>					
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
<b>Jason Partners Holdings LLC</b>					
A diversified manufacturing company serving various industrial markets.					
Limited Liability Company Unit (B)	90 uts.		09/21/10	848,275	48,185
<b>K &amp; N Parent, Inc.</b>					
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
<b>K N B Holdings Corporation</b>					
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
<b>K P H I Holdings, Inc.</b>					
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
<b>K P I Holdings, Inc.</b>				
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
<b>K W P I Holdings Corporation</b>				
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
<b>LPC Holding Company</b>				
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
<b>M V I Holding, Inc.</b>				
A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets.				
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
<b>Manhattan Beachwear Holding Company</b>				
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
<b>Marshall Physicians Services LLC</b>				
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
<b>MBWS Ultimate Holdco, Inc.</b>				
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
<b>MedSystems Holdings LLC</b>				
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
<b>MEGTEC Holdings, Inc.</b>					
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
<b>Merex Holding Corporation</b>					
A provider of after-market spare parts and components, as well as Maintenance, Repair and Overhaul services for "out of production" or "legacy" aerospace and defense systems that are no longer effectively supported by the original equipment manufacturers.					
14% Senior Subordinated Note due 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
<b>MicroGroup, Inc.</b>					
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
<b>Monessen Holding Corporation</b>					
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

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
<b>Nyloncraft, Inc.</b>				
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
<b>O E C Holding Corporation</b>				
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
<b>OakRiver Technology, Inc.</b>				
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
<b>Ontario Drive &amp; Gear Ltd.</b>				
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
<b>P K C Holding Corporation</b>				
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
<b>Pacific Consolidated Holdings LLC</b>				
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
<b>Paradigm Packaging, Inc.</b>				
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
<b>Pearlman Enterprises, Inc.</b>				
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	- -
<b>Postle Aluminum Company LLC</b>				
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
<b>Power Services Holding Company</b>				

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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
<b>Precision Wire Holding Company</b>				
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
<b>Qualis Automotive LLC</b>				
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
<b>R A J Manufacturing Holdings LLC</b>				
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
<b>RM Holding Company</b>				
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
<b>Royal Baths Manufacturing Company</b>				

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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
<b>Safety Infrastructure Solutions</b>				
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
<b>Sencore Holding Company</b>				
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	-
<b>Smart Source Holdings LLC</b>				
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
<b>Snacks Parent Corporation</b>				
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
<b>SouthernCare Holdings, Inc.</b>				
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
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