

BABSON CAPITAL CORPORATE INVESTORS
Form N-CSR/A
April 02, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR/A

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number 811-2183

Babson Capital Corporate Investors

(Exact name of registrant as specified in charter)

1500 Main Street, P.O. Box 15189, Springfield, MA 01115-5189

(Address of principal executive offices) (Zip code)

Christopher A. DeFrancis, Vice President and Secretary
1500 Main Street, Suite 2800, P.O. Box 15189, Springfield, MA 01115-5189

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 12/31/11

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR

unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORT TO STOCKHOLDERS.

Attached hereto is the annual shareholder report transmitted to shareholders pursuant to Rule 30e-1 of the Investment Company Act of 1940, as amended.

babson capital corporate investors

Babson Capital Corporate Investors is a closed-end investment company, first offered to the public in 1971, whose shares are traded on the New York Stock Exchange.

investment objective & policy

Babson Capital Corporate Investors (the "Trust") is a closed-end 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 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 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 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 quarterly 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.

In this report you will find a complete listing of the Trust's holdings. We encourage you to read this section carefully for a better understanding of the Trust. We cordially invite all shareholders to attend the Trust's Annual Meeting of Shareholders, which will be held on April 27, 2012 at 1:00 P.M. in Springfield, Massachusetts.

Babson Capital Corporate Investors

*Data for Babson Capital Corporate Investors (the "Trust") represents portfolio returns based on change in the Trust's net asset value assuming the reinvestment of all dividends and distributions. These returns differ from the total investment return based on market value of the Trust's shares due to the difference between the Trust's net asset value and the market value of its shares outstanding (see page 12 for total investment return based on market value). Past performance is no guarantee of future results.

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TO OUR SHAREHOLDERS

I am pleased to share with you the Trust's Annual Report for the year ended December 31, 2011.

As I am sure you have noticed, in December, we changed the name of the Trust from MassMutual Corporate Investors to Babson Capital Corporate Investors. The name change was made to clarify the Trust's relationship with the Trust's investment adviser, Babson Capital. Babson Capital, and its predecessors, has been the investment adviser for the Trust since the Trust's inception in 1971, and will continue in this capacity. Other than the name of the Trust, nothing else has changed — the Trust's investment objectives, philosophies and policies are unchanged; even the Trust's New York Stock Exchange trading symbol, "MCI", is unchanged.

PORTFOLIO PERFORMANCE

The Trust's net total portfolio rate of return for 2011 was 12.0%, as measured by the change in net asset value and assuming the reinvestment of all dividends and distributions. The Trust's total net assets were \$241,943,534, or \$12.69 per share, as of December 31, 2011. This compares to \$237,584,875, or \$12.56 per share, as of December 31, 2010. The Trust paid a quarterly dividend of \$0.30 per share for each of the four quarters of 2011, up 11.1% from the \$0.27 per share quarterly dividend in 2010. In addition, the Trust declared a special year-end dividend of \$0.15 per share, paid in January 2012 to shareholders of record on December 30, 2011, bringing total dividends for the year to \$1.35 per share. This represents a 25% increase over the \$1.08 per share of total dividends paid in 2010. Net investment income for the year was \$1.29 per share, including approximately \$0.12 per share of non-recurring income, representing a 14.2% increase over 2010 net investment income of \$1.13 per share, which also included approximately \$0.05 per share of non-recurring income.

Investors continued to take note of the Trust's strong performance in 2011 as the Trust's stock price increased 17.7% during the year, from \$15.28 as of December 31, 2010 to \$17.99 as of December 31, 2011. This increase is on top of the 21.8% price appreciation that the Trust's stock price enjoyed in 2010. The Trust's stock price of \$17.99 as of December 31, 2011 equates to a 41.8% premium over the December 31, 2011 net asset value per share of \$12.69. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 11.4%, 12.9% and 10.8%, respectively.

The table below lists the average annual net returns of the Trust's portfolio, based on the change in net assets and assuming the reinvestment of all dividends and distributions. Average annual returns of the Barclays Capital U.S. Corporate High Yield Index and the Russell 2000 Index for the 1, 3, 5, 10 and 25 years ended December 31, 2011 are provided for comparison purposes only.

	The Trust	Barclays Capital U.S. Corporate High Yield Index	Russell 2000 Index
1 Year	12.00%	4.98%	-4.17%
3 Years	14.76%	24.12%	15.63%
5 Years	8.06%	7.54%	0.15%
10 Years	12.66%	8.85%	5.62%
25 Years	12.82%	8.47%	8.67%

Past performance is no guarantee of future results.

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Babson Capital Corporate Investors

PORTFOLIO ACTIVITY

New investment activity for the Trust was very sporadic once again in 2011. In the first three quarters of the year, the Trust completed six new private placement investments. In the fourth quarter, the Trust completed seven new investments. For the full year 2011, the Trust closed 13 new private placement investments and seven add-on investments in existing portfolio companies. Total private placement investments purchased in 2011 were \$36,603,116. Although our investment activity in 2011 was off the near-record pace of 2010, when the Trust closed 19 new private placement transactions and eight add-on investments aggregating \$56,077,054, we were pleased with both the quantity and quality of our 2011 investments. Leverage multiples remained reasonable overall during 2011, and pricing and return expectations on our new investments were stable throughout the year, after several years of declines. All in all, market conditions in 2011 continued to be favorable for new investment activity.

New private placement investments completed during 2011 were Arch Global Precision LLC; CHG Alternative Education Holding Company; DPC Holdings LLC; Handi Quilter Holding Company; Ideal Tridon Holdings, Inc.; K & N Parent, Inc.; LPC Holding Company; Marshall Physicians Services LLC; Merex Holding Corporation; NT Holding Company; SouthernCare Holdings, Inc.; Strata/WLA Holding Corporation and WP Supply Holding Corporation. In addition, the Trust added to existing private placement investments in Advanced Technologies Holdings; K N B Holdings Corporation; K W P I Holdings Corporation; MBWS Ultimate Holdco, Inc.; NetShape Technologies, Inc.; NT Holding Company; and TruStile Doors, Inc. A brief description of these investments can be found in the Consolidated Schedule of Investments.

The condition of the Trust's existing portfolio continued to improve during 2011. Sales and earnings for the Trust's portfolio as a whole continued their upward momentum — we now have seen 22 consecutive months of increases in the average sales and EBITDA of our portfolio companies since hitting trough levels in late 2009. During the year, a number of our portfolio companies resumed paying cash interest on their debt obligations to the Trust due to their improved operating performance and liquidity position. Patience and, in many cases, additional equity support from the sponsor groups, sometimes coupled with the temporary deferral of interest on our debt obligations, have proven to be the right approach to helping these companies rebound.

We had eight companies exit from the Trust's portfolio during 2011. In six of these exits, the Trust realized a significant positive return on its investment. These investments were Davis Standard LLC; KHOF Holdings, Inc.; Justrite Manufacturing Acquisition Company; Momentum Holding Company; Nesco Holding Corporation; and Total E & S Inc. We also realized on our investments in Navis Global and Telecorps Holdings, Inc., both of which were underperforming investments. In addition, we had a number of companies who took advantage of lower interest rates and improved operating performance to refinance and repay their debt obligations to the Trust.

OUTLOOK FOR 2012

We enter 2012 with a solid backlog of new investment opportunities. We also expect that leverage multiples and expected returns on new investments will continue to be stable during the year. We have a significant number of portfolio companies that are in various stages of a sale process. One exit has already closed in January — Savage Sports Holding, Inc. was sold for a nice gain near the end of the month, and we expect that realization activity will be very strong in 2012. Strong realization and refinancing activity is a double-edged sword, however, as that could result in a loss of income-producing investments. We have been fortunate that our new investment activity in recent years 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.

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2011 Annual Report

The Trust weathered the difficult markets of 2008 and early 2009 well, and was able to maintain its dividend level. With improving market conditions in 2010 and 2011, the Trust was able to increase its dividend by 25% in 2011 over the prior year. Despite the unsettled global economic conditions and other challenges, we are optimistic heading into 2012. Regardless of the market environment, however, the Trust will continue to employ the investment philosophy that has served it well since its inception: investing in companies which we believe have a strong business proposition, solid cash flow and experienced, ethical management. This philosophy, along with Babson Capital's seasoned investment-management team, positions the Trust well to meet its investment objectives and policies. As always, I would like to thank you for your continued interest in and support of Babson Capital Corporate Investors. I look forward to seeing you at the Trust's annual shareholder meeting in Springfield on April 27, 2012.

Sincerely,

Michael L. Klofas
President

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 in 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.

2011 Dividends	Record Date	Net Investment Income	Short-Term Gains	Tax Effect	Long-Term Gains
Regular	4/25/2011	0.3000	-		-
	8/1/2011	0.3000	-		-
	10/31/2011	0.3000	-		-
	12/30/2011	0.3000	-		-
Special	12/30/2011	0.1402	0.0098		-
		\$1.3402	\$ 0.0098	\$ 1.3500	0.0000

The following table summarizes the tax effects of the relation of capital gains for 2011:

	Amount Per Share	Form 2439
2011 Gains Retained	0.0550	Line 1a
Long-Term Gains Retained	0.0550	
Taxes Paid	0.0193	Line 2 *
Basis Adjustment	0.0357	**

* If you are not subject to federal capital gains tax (e.g. charitable organizations, IRAs and Keogh Plans) you may be able to claim a refund by filing Form 990-T.

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For federal income tax purposes, you may increase the adjusted cost basis of your shares by this amount (the excess of Line 1a over Line 2).

Annual dividend	Qualified for dividend		Qualified dividends****		Interest earned on U.S. Gov't. Obligations	
	Received deduction***	Amount	Amount	Amount	Amount	Amount
Per share	Percent	Per share	Percent	Per share	Percent	Per share
\$1.35	3.3339%	0.0449	2.6859%	0.0362	0%	0.0000

*** Not available to individual shareholders

**** Qualified dividends are reported in Box 1b on IRS Form 1099-Div for 2011

Babson Capital Corporate Investors

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Babson Capital Corporate Investors

consolidated statement of assets and liabilities
December 31, 2011

Assets:

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value (Cost - \$254,260,292)	\$237,305,760
Corporate restricted securities at market value (Cost - \$10,147,208)	10,173,888
Corporate public securities at market value (Cost - \$21,434,959)	21,311,676
Short-term securities at amortized cost	4,256,892
Total investments (Cost - \$290,099,351)	273,048,216
Cash	6,800,835
Interest receivable	2,673,836
Other assets	174,893
 Total assets	 282,697,780

Liabilities:

Note payable	30,000,000
Dividend payable	8,581,595
Deferred tax liability	993,735
Investment advisory fee payable	756,074
Interest payable	202,105
Accrued expenses	220,737
 Total liabilities	 40,754,246

Total net assets	\$241,943,534
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Net Assets:

Common shares, par value \$1.00 per share	\$19,070,210
Additional paid-in capital	108,221,597
Retained net realized gain on investments, prior years	127,807,139
Undistributed net investment income	2,871,012
Accumulated net realized gain on investments	2,018,446
Net unrealized depreciation of investments	(18,044,870)
 Total net assets	 \$241,943,534

Common shares issued and outstanding (23,663,744 authorized)	19,070,210
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Net asset value per share	\$12.69
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See Notes to Consolidated Financial Statements

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consolidated statement of operations
For the year ended December 31, 2011

Investment Income:	
Interest	\$ 29,409,659
Dividends	455,983
Other	135,500
 Total investment income	 30,001,142
Expenses:	
Investment advisory fees	3,100,620
Interest	1,584,000
Trustees' fees and expenses	370,100
Professional fees	268,107
Reports to shareholders	110,000
Transfer agent	54,000
Custodian fees	38,000
Other	59,089
 Total expenses	 5,583,916
 Investment income - net	 24,417,226
Net realized and unrealized gain on investments:	
Net realized gain on investments before taxes	1,235,896
Income tax expense	(387,518)
Net realized gain on investments after taxes	848,378
Net change in unrealized depreciation of investments before taxes	2,865,226
Net change in deferred income tax expense	(523,816)
Net change in unrealized depreciation of investments after taxes	2,341,410
 Net gain on investments	 3,189,788
 Net increase in net assets resulting from operations	 \$ 27,607,014

See Notes to Consolidated Financial Statements

Babson Capital Corporate Investors

consolidated statement of cash flows
For the year ended December 31, 2011

Net increase in cash:

Cash flows from operating activities:

Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ 19,805,038
Purchases of portfolio securities	(72,741,350)
Proceeds from disposition of portfolio securities	57,384,745
Interest, dividends and other income received	23,754,371
Interest expense paid	(1,584,000)
Operating expenses paid	(4,004,252)
Income taxes paid	(818,159)
Net cash provided by operating activities	21,796,393

Cash flows from financing activities:

Cash dividends paid from net investment income	(22,199,952)
Receipts for shares issued on reinvestment of dividends	2,426,607
Net cash used for financing activities	(19,773,345)

Net increase in cash	2,023,048
Cash - beginning of year	4,777,787
Cash - end of year	\$6,800,835

Reconciliation of net increase in net assets to net cash provided by operating activities:

Net increase in net assets resulting from operations	\$27,607,014
Increase in investments	(5,710,823)
Increase in interest receivable	(13,744)
Increase in other assets	(174,893)
Increase in deferred tax liability	523,816
Increase in investment advisory fee payable	14,314
Increase in accrued expenses	55,542
Decrease in accrued taxes payable	(430,641)
Decrease in other payables	(74,192)
Total adjustments to net assets from operations	(5,810,621)
Net cash provided by operating activities	\$21,796,393

See Notes to Consolidated Financial Statements

consolidated statements of changes in net assets
For the years ended December 31, 2011 and 2010

	2011	2010
Increase in net assets:		
Operations:		
Investment income - net	\$24,417,226	\$21,400,927
Net realized gain on investments after taxes	848,378	2,276,849
Net change in unrealized depreciation of investments after taxes	2,341,410	17,531,731
Net increase in net assets resulting from operations	27,607,014	41,209,507
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2011 - 156,934; 2010 - 178,044)	2,426,607	2,296,374
Dividends to shareholders from:		
Net investment income (2011 - \$1.34 per share; 2010 - \$1.08 per share)	(25,488,812)	(20,357,960)
Net realized gains (2011 - \$0.01 per share; 2010 - \$0.00 per share)	(186,150)	-
Total increase in net assets	4,358,659	23,147,921
Net assets, beginning of year	237,584,875	214,436,954
Net assets, end of year (including undistributed net investment income of \$2,871,012 and \$3,451,526 respectively)	\$241,943,534	\$237,584,875

See Notes to Consolidated Financial Statements

Babson Capital Corporate Investors

consolidated selected financial highlights

Selected data for each share of beneficial interest outstanding:

	For the years ended December 31,				
	2011 (a)	2010 (a)	2009 (a)	2008 (a)	2007 (a)
Net asset value:					
Beginning of year	\$12.56	\$11.45	\$11.17	\$13.60	\$13.76
Net investment income (b)	1.29	1.13	1.03	1.16	1.28
Net realized and unrealized gain (loss) on investments	0.17	1.06	0.33	(2.51)	(0.17)
Total from investment operations	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 realized gain on investments to common shareholders	(0.01)	-	-	-	-
Increase from dividends reinvested	0.02	0.00	(c) 0.00	(c) 0.00	(c) 0.02
Total dividends	(1.33)	(1.08)	(1.08)	(1.08)	(1.27)
Net asset value: End of year	\$12.69	\$12.56	\$11.45	\$11.17	\$13.60
Per share market value:					
End of year	\$17.99	\$15.28	\$12.55	\$9.63	\$15.10
Total investment return					
Net asset value (d)	12.00	% 19.81	% 12.64	% (10.34	% 8.72
Market value (d)	27.92	% 31.73	% 39.89	% (30.44	% (8.78
Net assets (in millions):					
End of year	\$241.94	\$237.58	\$214.44	\$208.14	\$251.16
Ratio of operating expenses to average net assets	1.62	% 1.60	% 1.58	% 1.49	% 1.55
Ratio of interest expense to average net assets	0.64	% 0.70	% 0.75	% 0.67	% 0.59
Ratio of income tax expense to average net assets (e)	0.16	% 0.27	% 0.00	% 0.00	% 0.35
Ratio of total expenses to average net assets (e)	2.42	% 2.57	% 2.33	% 2.16	% 2.49
Ratio of net investment income to average net assets (e)	9.91	% 9.46	% 9.06	% 9.01	% 9.17
Portfolio turnover	21	% 39	% 23	% 32	% 44

(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 are passed on to the shareholders.

Senior borrowings:

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

See Notes to Consolidated Financial Statements

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consolidated schedule of investments
December 31, 2011

Corporate Restricted Securities - 102.29%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Private Placement Investments - 98.08%				
A E Company, Inc. A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries.				
11% Senior Secured Note due 2015	\$ 1,251,924	*	\$ 1,233,942	\$ 1,288,486
13% Senior Subordinated Note due 2016	\$ 1,413,461	11/10/09	1,295,314	1,441,730
Common Stock (B)	323,077 shs.	11/10/09	323,077	200,104
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	161,538 shs.	11/10/09	119,991	100,052
* 11/10/09 and 11/18/09.			2,972,324	3,030,372
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	\$ 2,633,793	11/21/07	2,601,223	2,633,793
Limited Partnership Interest (B)	23.16% int.	11/21/07	224,795	348,891
			2,826,018	2,982,684
A S A P Industries LLC A designer and manufacturer of components used on oil and natural gas wells.				
12.5% Senior Subordinated Note due 2015	\$ 850,946	12/31/08	773,072	850,945
Limited Liability Company Unit Class A-2 (B)	1,276 uts.	12/31/08	140,406	489,812
Limited Liability Company Unit Class A-3 (B)	1,149 uts.	12/31/08	126,365	440,832
			1,039,843	1,781,589
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	2,055,987	2,341,364

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Limited Liability Company Unit Class A (B)	4,128 uts.	*	405,691	582,956
Limited Liability Company Unit Class B (B)	2,782 uts.	10/09/09	273,352	392,874
* 10/09/09 and 10/27/10.			2,735,030	3,317,194

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

Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

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	\$ 1,127,698
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800 550,800	57,435 1,185,133
Aero Holdings, Inc. A provider of geospatial services to corporate and government clients.				
10.5% Senior Secured Term Note due 2014	\$ 1,220,625	03/09/07	1,213,392	1,239,100
14% Senior Subordinated Note due 2015	\$ 1,260,000	03/09/07	1,184,233	1,260,000
Common Stock (B)	262,500 shs.	03/09/07	262,500	430,887
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	66,116 shs.	03/09/07	111,527 2,771,652	108,528 3,038,515
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	1,071,951	1,140,317
Common Stock (B)	1,347 shs.	09/26/08	134,683	127,161
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	958 shs.	09/26/08	87,993 1,294,627	90,438 1,357,916
American Hospice Management Holding LLC				

A for-profit hospice care provider
in the United States.

12% Senior Subordinated Note

due 2013	\$ 3,187,495	*	3,123,224	3,187,495
Preferred Class A Unit (B)	3,223 uts.	**	322,300	597,810
Preferred Class B Unit (B)	1,526 uts.	06/09/08	152,626	271,163
Common Class B Unit (B)	30,420 uts.	01/22/04	1	141,374
Common Class D Unit (B)	6,980 uts.	09/12/06	1	32,439
* 01/22/04 and 06/09/08.			3,598,152	4,230,281
** 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	1,710,532	1,912,500
Preferred Stock Series B (B)	3,065 shs.	04/28/09	306,507	397,626
Common Stock (B)	1,366 shs.	04/28/09	1,366	177,218
			2,018,405	2,487,344

consolidated schedule of investments (continued)
December 31, 2011

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	\$ 2,250,000	12/21/11	\$ 2,190,148	\$ 2,257,787
Limited Liability Company Unit Class B (B)	85 uts.	12/21/11	85,250	80,987
Limited Liability Company Unit Class C (B)	665 uts.	12/21/11	664,750	631,512
			2,940,148	2,970,286

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	735,103	774,842
13% Senior Subordinated Note due 2017	\$ 853,714	09/30/10	771,783	862,251
Limited Liability Company Unit Class B (B)	92,571 uts.	09/30/10	92,571	96,802
Limited Liability Company Unit Class B (B)	70,765 uts.	09/30/10	70,765	73,999
			1,670,222	1,807,894

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.

	\$ 1,940,399	07/27/10	1,860,277	1,979,207
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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	223,431
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	23 shs.	07/27/10	227	38,750
			2,256,301	2,635,888

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	2,221,917	1,140,796
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	-
			2,582,426	1,140,796

Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

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	\$ 469,295	08/07/08	\$ 464,510	\$ 469,295
12.5% Senior Subordinated Note due 2015	\$ 750,872	08/07/08	704,680	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	63,873
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689 1,300,135	50,223 1,334,263
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	\$ 2,168,482	01/19/11	2,051,545	2,182,737
Common Stock (B)	1,125 shs.	01/19/11	112,500	102,496
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	884 shs.	01/19/11	87,750 2,251,795	80,569 2,365,802
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	2,282,216	2,400,000
Preferred Stock (B)	277 shs.	12/02/08	276,900 2,559,116	329,906 2,729,906

Coeur, Inc.

A producer of proprietary, disposable power injection syringes.

12% Senior Subordinated Note due 2016	\$ 1,214,286	10/10/08	1,131,083	1,214,286
Common Stock (B)	607 shs.	10/10/08	60,714	33,302
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	934 shs.	10/10/08	91,071 1,282,868	51,235 1,298,823

Connecticut Electric, Inc.

A supplier and distributor of electrical products sold into the retail and wholesale markets.

10% Senior Subordinated Note due 2014 (D)	\$ 1,456,429	01/12/07	1,358,675	1,310,786
Limited Liability Company Unit Class A (B)	156,046 uts.	01/12/07	156,046	19,320
Limited Liability Company Unit Class C (B)	112,873 uts.	01/12/07	112,873	13,975
Limited Liability Company Unit Class D (B)	1,268,437 uts.	05/03/10	-	157,043
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	- 1,627,594	258 1,501,382

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 1,588,332
Preferred Stock Series C (B)	8,986 shs.	07/05/07	300,168	832,074
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	2,420,406
CorePharma LLC				
A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.				
14.5% Senior Subordinated Note due 2016	\$ 2,627,064	08/04/05	2,627,064	2,627,064
Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)	20 shs.	08/04/05	137,166 2,764,230	558,947 3,186,011
Crane Rental Corporation				
A crane rental company since 1960, headquartered in Florida.				
13% Senior Subordinated Note due 2015	\$ 2,295,000	08/21/08	2,138,979	2,202,311
Common Stock (B)	255,000 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 2,588,805	- 2,202,311
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	1,952,516	2,143,635
Preferred Stock PIK (B)	296 shs.	10/27/09	295,550	97,529
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	71,258

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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 2,566,064	- 2,312,422

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	\$ 2,677,037	10/21/11	2,624,854	2,682,298
Limited Liability Company Unit Class A (B)	33,333 uts.	10/21/11	333,333 2,958,187	316,663 2,998,961

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 268,651	\$ 271,526
13% Senior Subordinated Note due 2014	\$ 855,000	11/01/06	807,726	855,000
Common Stock (B)	180,000 shs.	11/01/06	180,000	61,387
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	56,514 shs.	11/01/06	78,160	19,274
			1,334,537	1,207,187
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	\$ 2,403,631	01/08/08	2,374,423	2,403,631
Common Stock (B)	660 shs.	01/08/08	329,990	294,728
			2,704,413	2,698,359
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	81,330
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	2,525,767	2,725,287
Common Stock (B)	150 shs.	02/01/10	150,000	128,683
Warrant, exercisable until 2018, to purchase	358 shs.	02/01/10	321,300	306,824

common stock at \$.01 per
share (B)

2,997,067 3,160,794

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	\$ 2,327,428	10/06/08	2,299,994	2,327,428
Preferred Stock Series A (B)	441 shs.	*	44,100	57,828
Preferred Stock Series B (B)	4,341 shs.	10/06/08	434,074	569,231
Common Stock (B)	3,069 shs.	10/06/08	3,069	53,090
* 12/30/10 and 07/01/11.			2,781,237	3,007,577

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	\$ 2,599,570	09/27/10	2,555,543	2,651,561
Limited Liability Company Units Preferred (B)	512 uts.	09/27/10	460,976	499,856
Limited Liability Company Units (B)	512 uts.	09/27/10	51,220	179,497
			3,067,739	3,330,914

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 2,653,850	12/15/10	\$ 2,587,974	\$ 2,706,927
Limited Liability Company Unit Class B-1 (B)	394,737 uts.	12/15/10	394,737	627,349
Limited Liability Company Unit Class B-2 (B)	49,488 uts.	12/15/10	49,488	78,650
			3,032,199	3,412,926
F H Equity LLC				
A designer and manufacturer of a full line of automatic transmission filters and filtration systems for passenger vehicles.				
14% Senior Subordinated Note due 2017	\$ 3,063,159	12/20/10	2,949,674	3,117,990
Limited Liability Company Unit Class C (B)	9,449 uts.	12/20/10	96,056	93,903
			3,045,730	3,211,893
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	2,821,517	3,060,000
Warrant, exercisable until 2018, to purchase	594 shs.	10/19/10	140,875	60,560

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common stock at \$.01 per share (B)			2,962,392	3,120,560
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

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 1,281,639	\$ 1,395,044
Common Stock (B)	115 shs.	11/14/11	115,385	109,621
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	83 shs.	11/14/11	76,788	1
			1,473,812	1,504,666
Home Décor Holding Company				
A designer, manufacturer and marketer of framed art and wall décor products.				
Common Stock (B)	63 shs.	*	62,742	117,200
Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)	200 shs.	*	199,501	372,672
* 06/30/04 and 08/19/04.			262,243	489,872
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.				
	\$ 2,673,225	08/19/08	2,548,893	2,539,564

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12% Senior Subordinated Note
due 2016

Common Stock (B)	474 shs.	08/19/08	474,419	18,120
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	123 shs.	08/19/08	113,773 3,137,085	4,683 2,562,367

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	\$ 2,728,810	10/27/11	2,675,259	2,738,541
Common Stock (B)	279 shs.	10/27/11	278,561 2,953,820	264,632 3,003,173

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	420,257
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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
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	2,165,279	2,265,742
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	-
			2,982,210	2,265,742
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	2,556,631	2,622,549
Preferred Stock Series A (B)				
	305 shs.	12/23/11	289,733	275,244
Preferred Stock Series B (B)				
	86 shs.	12/23/11	82,006	77,906

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Common Stock (B)	391 shs.	12/23/11	19,565 2,947,935	14,872 2,990,571
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K N B Holdings Corporation

A designer, manufacturer and marketer of products for the custom framing market.

15% Senior Subordinated Note due 2017	\$ 4,381,393	04/12/11	4,037,760	4,381,393
Common Stock (B)	134,210 shs.	05/25/06	134,210	48,121
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	82,357 shs.	05/25/06	71,534 4,243,504	29,529 4,459,043

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	\$ 2,678,219	12/10/10	2,630,451	2,682,389
Common Stock (B)	698,478 shs.	12/10/10	698,478 3,328,929	333,559 3,015,948

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

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.				
12.75% Senior Subordinated Note due 2015	\$ 2,459,088	07/16/08	\$ 2,317,077	\$ 2,336,134
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	32,602
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	96 shs.	07/16/08	96,024	7,059
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	128 shs.	09/17/09	- 2,936,490	9,380 2,568,585
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	434,767
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	- 2,965,103

LPC Holding Company

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A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets.

13.5% Senior Subordinated Note due 2018	\$ 2,722,302	08/15/11	2,669,925	2,781,381
Common Stock (B)	283 shs.	08/15/11	283,019	337,962
			2,952,944	3,119,343

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	\$ 1,261,233	09/12/08	1,194,760	1,261,233
Common Stock (B)	61 shs.	09/12/08	60,714	50,755
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	66 shs.	09/12/08	65,571 1,321,045	54,818 1,366,806

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Mail Communications Group, Inc.				
A provider of mail processing and handling services, letter shop services, and commercial printing services.				
12.5% Senior Subordinated Note due 2014	\$ 975,000	05/04/07	\$ 947,220	\$ 975,000
Limited Liability Company Unit (B)	24,109 uts.	*	314,464	398,257
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3,375 shs.	05/04/07	43,031	55,752
* 05/04/07 and 01/02/08.			1,304,715	1,429,009
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	1,123,264	1,259,914
15% Senior Subordinated Note due 2018	\$ 316,877	10/05/10	311,197	316,877
Common Stock (B)	106 shs.	10/05/10	106,200	267,655
Common Stock Class B (B)	353 shs.	01/15/10	352,941	889,513
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	312 shs.	01/15/10	283,738	787,214
			2,177,340	3,521,173
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	\$ 1,323,667	09/20/11	1,297,968	1,338,516
Limited Liability Company Unit Class A (B)	8,700 uts.	09/20/11	180,000	171,279
	874 uts.	09/20/11	-	17,213

Limited Liability Company Unit
Class D (B)

1,477,968 1,527,008

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	*	3,073,042	3,419,536
Preferred Stock Series A (B)	4,164 shs.	09/07/10	416,392	1,486,086
Common Stock (B)	487 shs.	03/01/11	48,677	173,805
Common Stock (B)	458 shs.	09/07/10	45,845	163,455
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	310 shs.	03/01/11	30,975	110,636
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,158 shs.	09/07/10	115,870	413,278
* 09/07/10 and 03/01/11.			3,730,801	5,766,796

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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				
	\$ 1,187,116	08/29/08	\$ 1,090,328	\$ 1,187,116
Preferred Unit (B)	126 uts.	08/29/08	125,519	160,306
Common Unit Class A (B)	1,268 uts.	08/29/08	1,268	44,555
Common Unit Class B (B)	472 uts.	08/29/08	120,064	16,579
			1,337,179	1,408,556
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	139,095
Limited Partnership Interest (B)	1.40% int.	09/16/08	388,983	514,892
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/24/08	33,268	55,646
			525,506	709,633
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	1,082,282	1,114,720
Limited Liability Company Unit Series B (B)	396,226 uts.	09/22/11	396,226	307,748
			1,478,508	1,422,468
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

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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

Milwaukee Gear Company

A manufacturer of high-precision custom gears and gear drives used by original equipment manufacturers operating in a number of industries.

13% Senior Subordinated Note

due 2014	\$ 2,353,846	07/21/08	2,277,866	2,353,846
Preferred Stock (B)	263 shs.	07/21/08	261,830	338,707
Common Stock (B)	18 shs.	07/21/08	20,000	277,728
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	10 shs.	07/21/08	11,285	154,293
			2,570,981	3,124,574

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Monessen Holding Corporation				
A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories.				
15% Senior Subordinated PIK 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				
	\$ 2,771,616	11/30/10	2,724,558	2,827,048
Limited Liability Company Unit Class B-1 (B)				
	281,250 uts.	11/30/10	-	288,272
Limited Liability Company Unit Class B-2 (B)				
	25,504 uts.	11/30/10	-	26,141
			2,724,558	3,141,461
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	-
			1,440,772	156,250

* 02/24/06 and 06/22/07.

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	\$ 1,880,761	02/02/07	1,698,345	1,316,532
Limited Partnership Interest of Saw Mill PCG Partners LLC (B)	2.73% int.	02/01/07	1,110,810	-
Limited Liability Company Unit Class D of Saw Mill PCG Partners LLC (B)	17 uts.	*	16,759	-
Limited Liability Company Unit Class D-1 of Saw Mill PCG Partners LLC (B)	229 uts.	09/30/09	228,858	-
Limited Liability Company Unit Class D-2 of Saw Mill PCG Partners LLC (B)	128 uts.	04/29/11	65,256	-
* 12/18/08 and 09/30/09.			3,120,028	1,316,532

Newark Group, Inc.

A major producer of paper products from recycled materials.

Common Stock (B)	134,520 shs.	09/02/10	796,863	273,479
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Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 1,328,291	\$ 1,466,131
Limited Liability Company Unit Series B (B)	51,724 uts.	11/05/10	51,724	55,609
Limited Liability Company Unit Series B (B)	104,792 uts.	11/05/10	104,792	112,664
Limited Liability Company Unit Series F (B)	156,516 uts.	11/05/10	-	160,430
			1,484,807	1,794,834
Northwest Mailing Services, Inc.				
A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.				
12% Senior Subordinated Note due 2016	\$ 2,818,421	*	2,386,304	2,799,166
Limited Partnership Interest (B)	3,287 uts.	*	328,679	98,147
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	4,920 shs.	*	492,016	146,921
* 07/09/09 and 08/09/10.			3,206,999	3,044,234
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	2,451,728	2,691,068
Common Stock (B)	377 shs.	*	377,399	383,462
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	176 shs.	02/02/11	158,961	179,091
*02/02/11 and 06/30/11.			2,988,088	3,253,621

Nyloncraft, Inc.

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A supplier of engineered plastic components for the automotive industry.

Convertible Preferred Stock A

(B)	1,000 shs.	01/28/02	961,637	1,693,510
Common Stock (B)	312,500 shs.	01/28/02	312,500	427,376
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	243,223 shs.	01/28/02	162,045 1,436,182	332,632 2,453,518

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	1,230,300	1,326,182
Preferred Stock Series A (B)	1,661 shs.	06/04/10	166,062	99,077
Preferred Stock Series B (B)	934 shs.	06/04/10	93,376	55,711
Common Stock (B)	1,032 shs.	06/04/10	1,032 1,490,770	- 1,480,970

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
OakRiver Technology, Inc.				
Designs, engineers and assembles high precision automated process equipment for the medical device industry with a focus on defibrillators and stents.				
Common Stock (B)	322,307 shs.	01/03/06	\$ 322,307	\$ 500,287
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	75,378 shs.	01/03/06	62,824 385,131	117,002 617,289
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	1,508,564
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	619 shs.	01/17/06	170,801 742,916	254,699 1,763,263
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	\$ 2,993,231	12/21/10	2,926,002	3,031,623
Preferred Stock Class A (B)	54 shs.	12/21/10	340,718	547,003
Common Stock (B)	54 shs.	12/21/10	25,500 3,292,220	- 3,578,626
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	\$ 2,763,262	12/20/10	2,715,079	2,780,626
Limited Liability Company Unit Class A (B)	99 uts.	12/20/10	318,215	239,220
Limited Liability Company Unit Class B (B)	99 uts.	12/20/10	3,214	239,220

3,036,508 3,259,066

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	836,155
5% Senior Subordinated Note due 2012	\$ 79,688	07/21/10	79,688	79,842
Preferred Shares Series E (B) Limited Liability Company Unit (B)	79,688 uts.	07/21/10	-	-
	1,754,707 uts.	04/27/07	63,233	-
			1,502,082	915,997

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	1,589,680	1,593,750
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	372 shs.	12/21/00	265,625	61,500
			1,855,305	1,655,250

Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 1,603,888	06/03/10	1,585,750	1,619,926
3% Senior Subordinated PIK Note due 2014	\$ 2,283,699	10/02/06	2,048,838	2,283,699
Limited Liability Company Unit Class A (B)	1,384 uts.	10/02/06	510,000	155,842
Limited Liability Company Unit (B)	143 uts.	05/22/09	642	16,101
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	8,595 shs.	10/02/06	124,644 4,269,874	967,786 5,043,354
Power Services Holding Company 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	\$ 2,372,093	02/11/08	2,233,029	2,372,093
Limited Partnership Interest (B)	23.70% int.	02/11/08	177,729	184,946
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	1,322 shs.	02/11/08	167,588 2,578,346	372,933 2,929,972

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	\$ 2,632,986	11/12/09	2,423,752	2,685,645
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Warrant, exercisable until 2019,
to purchase

common stock at \$.01 per share

(B)	206 shs.	11/12/09	203,944	202,654
			2,627,696	2,888,299

Qualis Automotive LLC

A distributor of aftermarket automotive brake and chassis products.

Common Stock (B)	354,167 shs.	05/28/04	354,166	378,546
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Warrant, exercisable until 2014,
to purchase

common stock at \$.01 per share

(B)	377,719 shs.	05/28/04	377,719	403,719
			731,885	782,265

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 2,522,067	12/15/06	\$ 2,422,217	\$ 2,522,067
14.5% Senior Subordinated PIK Note due 2014	\$ 208,985	12/31/10	201,131	208,985
Limited Liability Company Unit (B)	2,828 uts.	12/15/06	282,810	117,614
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	3 shs.	12/15/06	131,483 3,037,641	55,465 2,904,131
R E I Delaware Holding, Inc.				
An engineer and manufacturer of highly complex, close tolerance components, assemblies, tooling and custom automation equipment primarily for aerospace, medical and defense/radar markets.				
12% Senior Subordinated Note due 2016	\$ 2,550,000	01/18/08	2,498,436	2,550,000
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	6 shs.	01/18/08	31,089 2,529,525	341,653 2,891,653
Royal Baths Manufacturing Company				
A manufacturer and distributor of acrylic and cultured marble bathroom products.				
12.5% Senior Subordinated Note due 2016	\$ 531,250	11/14/03	522,261	531,250
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	140 shs.	11/14/03	122,946 645,207	41,458 572,708

Savage Sports Holding, Inc.

A manufacturer of sporting firearms.

12% Senior Subordinated Note due 2012	\$ 1,538,793	09/10/04	1,518,106	1,538,793
Preferred Stock Series A (B)	66 shs.	05/28/10	66,185	90,997
Common Stock (B)	612 shs.	*	642,937	1,794,352
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	134 shs.	09/10/04	113,578	391,767
* 09/10/04 and 10/05/07.			2,340,806	3,815,909

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	-
Common Stock (B)	131 shs.	01/15/09	130,769	-
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	282 shs.	01/15/09	281,604	-
			1,972,604	-

Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Smart Source Holdings LLC				
A short-term computer rental company.				
12% Senior Subordinated Note due 2015	\$ 2,223,076	*	\$ 2,098,431	\$ 2,223,076
Limited Liability Company Unit (B)	619 uts.	*	631,592	541,342
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	157 shs.	*	164,769	137,140
* 08/31/07 and 03/06/08.			2,894,792	2,901,558
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	\$ 2,635,351	11/12/10	2,498,759	2,610,885
Preferred Stock A (B)	3,395 shs.	11/12/10	322,495	202,000
Preferred Stock B (B)	1,575 shs.	11/12/10	149,650	93,736
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	-
			2,996,059	2,906,621
SouthernCare Holdings, Inc.				
A hospice company providing palliative care services to terminally ill patients.				
14% Senior Subordinated Note due 2018	\$ 2,727,273	12/01/11	2,673,121	2,738,055
Common Stock (B)	2,727 shs.	12/01/11	272,727	259,065
			2,945,848	2,997,120
Spartan Foods Holding Company				
A manufacturer of branded pizza crusts and pancakes.				
	\$ 1,912,500	12/15/09	1,688,179	1,434,375

12.25% Senior Subordinated Note
due 2017

Warrant, exercisable until 2018, to
purchase
common stock at \$.01 per share

(B)	257 shs.	12/15/09	227,109	-
			1,915,288	1,434,375

Specialty Commodities, Inc
A distributor of specialty food
ingredients.

13.25% Senior Subordinated Note
due 2016

Common Stock (B)

Warrant, exercisable until 2018, to
purchase
common stock at \$.01 per share

	\$ 2,341,275	10/23/08	2,235,777	2,341,275
	30,000 shs.	10/23/08	300,000	356,006
(B)	11,054 shs.	10/23/08	100,650	131,176
			2,636,427	2,828,457

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consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 1,449,288	\$ 1,492,683
Common Stock (B)	311 shs.	08/01/06	310,976	379,926
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	104 shs.	08/01/06	93,293	126,532
			1,853,557	1,999,141
Strata/WLA Holding Corporation				
A leading independent anatomic pathology laboratory that conducts over 320,000 tests annually to customers in 40 U.S. states and in Canada and Venezuela.				
14.5% Senior Subordinated Note due 2018				
	\$ 2,806,620	07/01/11	2,753,746	2,794,980
Preferred Stock Series A (B)	228 shs.	07/01/11	228,137	146,103
			2,981,883	2,941,083
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				
	\$ 2,947,221	12/14/10	2,794,007	2,799,860
Common Stock (B)	115 shs.	12/14/10	114,504	14,980
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	112 shs.	12/14/10	111,747	14,620

3,020,258 2,829,460

Synteract Holdings
Corporation

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

14.5% Senior Subordinated

Note due 2017	\$ 2,659,127	09/02/08	2,529,279	2,659,127
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Redeemable Preferred Stock

Series A (B)	1,280 shs.	09/02/08	12,523	78,475
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Warrant, exercisable until
2018, to purchase

common stock at \$.01 per
share (B)

12,803 shs.	09/02/08	112,693	-
		2,654,495	2,737,602

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	300,140
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Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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)	\$ 1,357,530	05/31/11	1,357,530	1,221,777
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.			2,756,033	1,221,777
** 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 2013 (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	1,664,982	1,790,736
Common Stock (B)	209 shs.	10/31/07	208,589	-
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	94 shs.	10/31/07	87,607	-
			1,961,178	1,790,736
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	2,696,090	2,712,000
Common Stock (B)	630 shs.	02/04/98	630,000	613,559
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	444 shs.	02/05/98	368,832 3,694,922	432,413 3,757,972

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Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

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 2014				
	\$ 2,309,541	*	\$ 2,104,092	\$ 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 2013, 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.			3,306,018	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	118,933
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	5,781 shs.	04/11/03	68,059 318,059	- 118,933
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	879,516	893,997
Common Stock (B)	182 shs.	04/30/04	182,200	126,405
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	230 shs.	04/30/04	211,736 1,273,452	159,858 1,180,260
U M A Enterprises, Inc.				

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An importer and wholesaler of home décor products.

15% Senior Subordinated Note due 2015	\$ 1,868,502	02/08/08	1,845,735	1,868,502
Convertible Preferred Stock (B)	887 shs.	02/08/08	886,956	573,840
			2,732,691	2,442,342

Visioneering, Inc.

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

10.5% Senior Secured Term Loan due 2013	\$ 765,882	05/17/07	763,332	736,705
13% Senior Subordinated Note due 2014	\$ 648,530	05/17/07	616,779	609,238
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	-
			1,631,214	1,345,943

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Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

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 PIK Note due 2012	\$ 191,541	10/29/09	\$ 190,555	\$ 183,398
5% Senior Subordinated PIK Note due 2012 (D)	\$ 850,000	06/30/07	741,532	836,083
Class B Unit (B)	767,881 uts.	10/29/09	348,058	-
Class C Unit (B)	850,000 uts.	10/29/09	780,572	527,760
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.			2,676,874	1,547,241
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	10,638
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	95 shs.	11/30/06	86,493	5,311
			1,916,412	1,565,074
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	2,767,066	3,045,000
Preferred Stock Series B (B)	2,109 shs.	06/08/10	210,924	236,110
Common Stock (B)	1,058 shs.	06/08/10	1,058	118,399
			2,979,048	3,399,509

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	2,203,105	2,431,233
Common Stock (B)	616 shs.	12/16/10	616,438	574,745
Warrant, exercisable until 2015, to purchase common stock at \$.02 per share (B)	166 shs.	12/16/10	148,003 2,967,546	154,436 3,160,414

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	308,950
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	- 308,950

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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	\$ 2,560,271	11/03/11	\$ 2,509,918	\$ 2,550,414
Common Stock (B)	4,500 shs.	11/03/11	450,000	427,500
			2,959,918	2,977,914
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	\$ 2,358,615	09/08/08	2,293,279	2,358,615
Common Stock (B)	283 shs.	09/08/08	283,333	397,261
			2,576,612	2,755,876
Total Private Placement Investments (E)			\$ 254,260,292	\$ 237,305,760

Babson Capital Corporate Investors

consolidated schedule of investments (continued)
December 31, 2011

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Maturity Date	Shares or Principal Amount	Cost	Market Value
Rule 144A Securities - 4.21%:					
Bonds - 4.17%					
Arch Coal, Inc.	7.000	%06/15/19	\$ 150,000	\$ 150,000	\$ 153,000
Arch Coal, Inc.	7.250	06/15/21	105,000	105,000	107,888
Audatex North America, Inc.	6.750	06/15/18	250,000	250,000	252,500
Calpine Corporation	7.500	02/15/21	750,000	771,579	802,500
Calumet Specialty Products Partners L.P.	9.375	05/01/19	750,000	696,715	720,000
Coffeyville Resources LLC	9.000	04/01/15	54,000	53,815	57,240
Community Choice Financial, Inc.	1.000	05/01/19	505,000	515,610	499,950
First Data Corporation	7.375	06/15/19	850,000	853,318	799,000
FMG Resources	7.000	11/01/15	750,000	777,966	757,500
Georgia Gulf Corporation	9.000	01/15/17	190,000	194,118	200,925
Goodrich Petroleum Corporation	8.875	03/15/19	360,000	360,000	360,000
Hilcorp Energy Company	7.625	04/15/21	725,000	692,894	759,438
Huntington Ingalls Industries	7.125	03/15/21	750,000	781,000	735,000
International Automotive Component	9.125	06/01/18	375,000	375,000	335,625
Nexeo Solutions LLC	8.375	03/01/18	40,000	40,000	39,800
Northern Tier Energy LLC	1.000	12/01/17	675,000	704,530	722,250
Pittsburgh Glass Works, LLC	8.500	04/15/16	70,000	70,000	67,375
Reynolds Group Escrow, LLC	7.750	10/15/16	750,000	795,803	789,375
SandRidge Energy, Inc.	8.000	06/01/18	360,000	363,293	363,600
Seagate HDD Cayman	7.000	11/01/21	400,000	400,000	410,000
Valeant Pharmaceuticals International	6.750	10/01/17	70,000	69,682	69,913
Valeant Pharmaceuticals International	7.000	10/01/20	880,000	881,876	869,000
Visteon Corporation	6.750	04/15/19	200,000	200,000	199,500
Total Bonds				10,102,199	10,071,379
Convertible Preferred Stock - 0.00%					
ETEX Corporation (B)					