

MASSMUTUAL PARTICIPATION INVESTORS

Form N-30D

November 24, 2010

MassMutual
Participation Investors

Report for the
Nine Months Ended September 30, 2010

LOGO

ADVISER

Babson Capital Management LLC *
1500 Main Street, P.O. Box 15189
Springfield, Massachusetts 01115-5189

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
Boston, Massachusetts 02110

COUNSEL TO THE TRUST

Ropes & Gray LLP
Boston, Massachusetts 02110

CUSTODIAN

Citibank, N.A.
New York, New York 10043

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TRANSFER AGENT & REGISTRAR
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* Member of the MassMutual Financial Group

INVESTMENT OBJECTIVE AND POLICY

MassMutual Participation Investors (the "Trust") is a closed-end management investment company, first offered to the public in 1988, whose shares are traded on the New York Stock Exchange under the trading symbol "MPV". The Trust's share price can be found in the financial section of most newspapers as "MassPrt" or "MassMuPrt" under either the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. At least half of these investments normally include equity features such as common stock, warrants, conversion rights, or other equity features that provide the Trust with the opportunity to realize capital gains. The Trust will also invest in publicly traded debt securities (including high yield securities), again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. 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. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

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. All registered shareholders are automatically enrolled in the Dividend Reinvestment and Cash Purchase Plan unless cash distributions are requested.

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)

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without charge, upon request, by calling, toll-free 866-399-1516; (2) on the Trust's website: <http://www.babsoncapital.com/mpv>; 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/mpv>; and (2) on the SEC's website at <http://www.sec.gov>.

MPV
LISTED
NYSE
THE NEW YORK STOCK EXCHANGE

TO OUR SHAREHOLDERS

MassMutual Participation Investors

October 31, 2010

We are pleased to present the September 30, 2010 Quarterly Report of MassMutual Participation Investors (the "Trust"). The Board of Trustees declared a quarterly dividend of 25 cents per share, payable on November 12, 2010 to shareholders of record on November 1, 2010. The Trust paid a 25 cent per share dividend for the preceding quarter. The Trust earned 25 cents per share of net investment income for the third quarter of 2010, compared to 24 cents per share in the previous quarter.

During the third quarter, the net assets of the Trust increased to \$120,460,047 or \$12.00 per share compared to \$114,929,455 or \$11.47 per share on June 30, 2010. This translates into a 6.9% 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 16.9%, 5.7%, 10.2%, and 11.8% for the 1-, 3-, 5-, and 10-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 increased 7.1% during the quarter, from \$12.91 per share as of June 30, 2010 to \$13.83 per share as of September 30, 2010. The Trust's market price of \$13.83 per share equates to a 15.3% premium over the September 30, 2010 net asset value per share of \$12.00. The Trust's average quarter-end premium for the 3, 5 and 10- year periods was 1.54%, 5.92% and 7.88%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 11.3% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 6.7% for the quarter.

The Trust closed four new private placement investments and two "follow-on" investments in existing portfolio companies during the third quarter. The four new investments were in Associated Diversified Services, Barcodes Group, Inc., F F C Holding Corporation and MBWS Ultimate Holdco, Inc., while the two follow-on investments were in Northwest Mailing Services, Inc. and Pacific Consolidated Holdings 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 six transactions was \$3,808,000.

As evidenced by the increased level of new investment activity, our deal flow during the third quarter was very robust, and has remained so as we moved into the fourth quarter. A variety of factors, including upcoming possible tax law changes, renewed vigor from private equity buyers after 12-18 months of limited activity, and the presence of cash-rich strategic buyers, have contributed to the high level of transaction volume. Of course, without an adequate supply of debt and equity capital, strong deal flow does not translate into new investments. Fortunately, there currently is a plentiful supply of equity capital. The availability of debt capital, particularly senior debt, has continued to improve and is adequate to meet the needs of the market. As a result, we currently are very busy processing new transactions and expect that

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our efforts will result in a number of attractive new investments for the Trust in the fourth quarter of 2010. Barring any external shocks, we expect our investment activity to remain strong into 2011. Leverage multiples continued to increase during the quarter, but not to what we would view as excessive levels. Pricing and return expectations for new investments were stable during the quarter, and remain relatively favorable in our view. All in all, conditions are favorable for new investment activity.

The condition of our existing portfolio continued to improve in the third quarter. Sales and earnings for most of our portfolio companies have trended upward so far in 2010, after showing a deteriorating trend for all of 2009. It continues to be particularly refreshing to see some of our companies which had underperformed expectations begin to show improved results. Patience and, in certain cases, additional equity support from the equity sponsor group sometimes coupled with the deferral of interest on our debt obligations, has proven to be the right approach to helping these companies rebound. We had several more instances during the quarter in which companies which had stopped paying

(Continued)

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cash interest on our debt obligations resumed payment due to their improved operating results and liquidity position. Realization activity, which generally correlates highly with improved performance, also remained strong during the quarter. There were three companies in the Trust's portfolio, Diversco, Inc., K-Tek Holding Corporation, and Waggin' Train Holdings LLC, which were successfully sold during the quarter. One additional company, PAS Holdco LLC, was also sold for a nice gain in the first week of October. There continues to be a significant number of portfolio companies that are in various stages of a sale process and we are hopeful that many of these will turn into successful realizations in the upcoming quarters.

Certainly market conditions are constantly changing. As I have stated in prior quarters though, we will not waver in our approach to investing - we will continue to maintain the same discipline and investment philosophy that has served the Trust's shareholders well for so many years. Thank you for your continued interest in and support of MassMutual Participation Investors.

Sincerely,

/s/ Michael L. Klofas

Michael L. Klofas
President

PORTFOLIO COMPOSITION AS OF 9/30/10 *

[PIE CHART APPEARS HERE]

PRIVATE / RESTRICTED
EQUITY
12.4%

PUBLIC EQUITY
0.4%

CASH & SHORT TERM
INVESTMENTS
3.5%

PRIVATE / 144A HIGH
YIELD DEBT
69.5%

PUBLIC HIGH YIELD
DEBT
14.2%

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* 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.

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
 SEPTEMBER 30, 2010
 (UNAUDITED)

MassMutual Participation Investors

ASSETS:

Investments	
(See Consolidated Schedule of Investments)	
Corporate restricted securities at fair value	
(Cost - \$115,205,680)	\$ 103,182,218
Corporate restricted securities at market value	
(Cost - \$3,352,463)	3,499,457
Corporate public securities at market value	
(Cost - \$19,007,782)	19,036,105

	125,717,780
Cash	4,543,267
Interest receivable	3,163,774
Receivable for investments sold	49,542
Other assets	6,269

 TOTAL ASSETS	 133,480,632

LIABILITIES:

Investment advisory fee payable	271,035
Note payable	12,000,000
Interest payable	262,933
Accrued taxes payable	331,168
Accrued expenses	136,058
Other payables	19,391

 TOTAL LIABILITIES	 13,020,585

TOTAL NET ASSETS	\$ 120,460,047
	=====

NET ASSETS:

Common shares, par value \$.01 per share; an unlimited number authorized	\$ 100,346
Additional paid-in capital	93,724,310
Retained net realized gain on investments, prior years	32,871,737

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Undistributed net investment income	3,585,421
Accumulated net realized gain on investments	2,026,378
Net unrealized depreciation of investments	(11,848,145)

TOTAL NET ASSETS	\$ 120,460,047
	=====
COMMON SHARES ISSUED AND OUTSTANDING	10,034,604
	=====
NET ASSET VALUE PER SHARE	\$ 12.00
	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010
(UNAUDITED)

INVESTMENT INCOME:	
Interest	\$ 8,904,831
Dividends	79,087
Other	36,734

TOTAL INVESTMENT INCOME	9,020,652

EXPENSES:	
Investment advisory fees	781,559
Interest	522,000
Trustees' fees and expenses	149,152
Professional fees	103,500
Reports to shareholders	83,000
Custodian fees	18,000
Transfer agent/registrar's expenses	13,500
Other	31,759

TOTAL EXPENSES	1,702,470

INVESTMENT INCOME - NET	7,318,182

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized gain on investments before taxes	2,092,662
Income tax expense	(333,717)

Net realized gain on investments after taxes	1,758,945
Net change in unrealized depreciation of investments before taxes	6,753,151
Net change in deferred income tax expense	84,963

Net change in unrealized depreciation of investments after taxes	6,838,114

NET GAIN ON INVESTMENTS	8,579,059

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 15,915,241
	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF CASH FLOWS MassMutual Participation Investors
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010
 (UNAUDITED)

NET INCREASE IN CASH:

Cash flows from operating activities:

Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ 7,529,400
Purchases of portfolio securities	(20,506,031)
Proceeds from disposition of portfolio securities	15,642,979
Interest, dividends and other income received	7,066,351
Interest expense paid	(348,000)
Operating expenses paid	(1,207,746)
Income taxes paid	(38,549)

 NET CASH PROVIDED BY OPERATING ACTIVITIES 8,138,404

Cash flows from financing activities:

Cash dividends paid from net investment income	(7,500,695)
Receipts for shares issued on reinvestment of dividends	624,316

 NET CASH USED FOR FINANCING ACTIVITIES (6,876,379)

NET INCREASE IN CASH 1,262,025

Cash - beginning of year 3,281,242

 CASH - END OF PERIOD \$ 4,543,267
 =====

RECONCILIATION OF NET INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$ 15,915,241

Increase in investments	(6,475,719)
Increase in interest receivable	(1,641,579)
Increase in receivable for investments sold	(3,929)
Increase in other assets	(6,269)
Increase in investment advisory fee payable	26,698
Increase in interest payable	174,000
Decrease in accrued expenses	(21,514)
Increase in accrued taxes payable	210,205
Decrease in other payables	(38,730)

 TOTAL ADJUSTMENTS TO NET ASSETS FROM OPERATIONS (7,776,837)

 NET CASH PROVIDED BY OPERATING ACTIVITIES \$ 8,138,404
 =====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

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	For the nine months ended 09/30/10 (Unaudited)	For the year ended 12/31/09
	-----	-----
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Investment income - net	\$ 7,318,182	\$ 9,375,528
Net realized gain on investments	1,758,945	1,012,575
Net change in unrealized depreciation of investments	6,838,114	(2,299,878)
	-----	-----
Net increase in net assets resulting from operations	15,915,241	8,088,225
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2010 - 51,365; 2009 - 55,996)	624,316	616,488
Dividends to shareholders from:		
Net investment income (2010 - \$0.50 per share; 2009 - \$1.00 per share)	(5,004,885)	(9,955,268)
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	11,534,672	(1,250,555)
NET ASSETS, BEGINNING OF YEAR	108,925,375	110,175,930
	-----	-----
NET ASSETS, END OF PERIOD/YEAR (including undistributed net investment income of \$3,585,421 and \$1,272,124, respectively)	\$ 120,460,047	\$ 108,925,375
	=====	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS MassMutual Participation Investors
SELECTED DATA FOR EACH SHARE OF BENEFICIAL INTEREST OUTSTANDING:

	For the nine months ended 09/30/2010 (Unaudited)	For the years ended De		
	-----	2009	2008	2007
	-----	-----	-----	-----
Net asset value:				
Beginning of year	\$ 10.91	\$ 11.10	\$ 12.84	\$ 12.90
	-----	-----	-----	-----
Net investment income (a)	0.73	0.94	1.08	1.23
Net realized and unrealized gain (loss) on investments	0.86	(0.13)	(1.82)	(0.05)
	-----	-----	-----	-----
Total from investment operations	1.59	0.81	(0.74)	1.18
	-----	-----	-----	-----
Dividends from net investment income to common shareholders	(0.50)	(1.00)	(1.00)	(1.23)
Dividends from net realized gain on investments to common shareholders	--	--	--	(0.02)

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Increase from dividends reinvested	0.00 (c)	0.00 (c)	0.00 (c)	0.01
	-----	-----	-----	-----
Total dividends	(0.50)	(1.00)	(1.00)	(1.24)
	-----	-----	-----	-----
Net asset value: End of period/year	\$ 12.00	\$ 10.91	\$ 11.10	\$ 12.84
	-----	-----	-----	-----
Per share market value:				
End of period/year	\$ 13.83	\$ 12.20	\$ 9.05	\$ 13.18
	=====	=====	=====	=====
Total investment return				
Net asset value (d)	14.95%	7.60%	(6.01%)	9.95%
Market value	13.36%	40.86%	(25.36%)	(1.30%)
Net assets (in millions):				
End of period/year	\$ 120.46	\$ 108.93	\$ 110.18	\$ 126.63
Ratio of operating expenses to average net assets	1.40% (e)	1.41%	1.33%	1.36%
Ratio of interest expense to average net assets	0.62% (e)	0.63%	0.58%	0.56%
Ratio of income tax expense to average net assets (f)	0.40% (e)	0.00%	0.00%	0.48%
Ratio of total expenses before custodian fee reduction to average net assets (f)	2.42% (e)	2.04%	1.91%	2.40%
Ratio of net expenses after custodian fee reduction to average net assets (f)	2.42% (e)	2.04%	1.91%	2.40%
Ratio of net investment income to average net assets	8.67% (e)	8.55%	8.74%	9.32%
Portfolio turnover	13%	23%	32%	33%

(a) Calculated using average shares.

(b) Amount includes \$0.10 per share in litigation proceeds.

(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, net of all dividends and distributions which differs from the total investment return based on the difference between the Trust's net asset value and the market value of its shares outstanding at the end of the period of future results.

(e) Annualized

(f) As additional information, this ratio is included to reflect the taxes paid on retained long-term capital gains netted against realized capital gains in the Statement of Operations. The taxes paid are treated as a credit for the taxes paid is passed on to shareholders.

Senior borrowings:

Total principal amount (in millions)	\$ 12	\$ 12	\$ 12	\$ 12
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Asset coverage per \$1,000

of indebtedness	\$ 11,038	\$ 10,077	\$ 10,181	\$ 11,552
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See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS

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September 30, 2010
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES - 88.56%:(A)	-----	-----
PRIVATE PLACEMENT INVESTMENTS - 85.66%		
A E COMPANY, INC.		
A designer and manufacturer of machined parts and assembly structures for the commercial and military markets.		
11% Senior Secured Note due 2015	\$ 807,692	*
13% Senior Subordinated Note due 2016	\$ 807,693	11/10/09
Common Stock (B)	184,615 shs.	11/10/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	92,308 shs.	11/10/09
* 11/10/09 and 11/18/09.		
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	\$ 1,342,450	11/21/07
Limited Partnership Interest (B)	12.26% int.	11/21/07
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	\$ 450,500	12/31/08
Limited Liability Company Unit Class A-2 (B)	677 uts.	12/31/08
Limited Liability Company Unit Class A-3 (B)	608 uts.	12/31/08
A S C GROUP, INC.		
A designer and manufacturer of high reliability encryption equipment, communications products, components primarily for the military and aerospace sectors.		
12.75% Senior Subordinated Note due 2016	\$ 1,227,273	10/09/09
Limited Liability Company Unit Class A (B)	1,249 uts.	10/09/09
Limited Liability Company Unit Class B (B)	1,473 uts.	10/09/09
A W X HOLDINGS CORPORATION		
A provider of aerial equipment rental, sales and repair services to non-residential construction operating in the State of Indiana.		
10.5% Senior Secured Term Note due 2014 (D)	\$ 420,000	05/15/08
13% Senior Subordinated Note due 2015 (D)	\$ 420,000	05/15/08
Common Stock (B)	60,000 shs.	05/15/08
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	21,099 shs.	05/15/08

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2010
 (Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
ADVANCED TECHNOLOGIES HOLDINGS		
A provider of factory maintenance services to industrial companies.		
15% Senior Subordinated Note due 2013	\$ 1,172,906	12/27/07
Preferred Stock (B)	546 shs.	12/27/07
AERO HOLDINGS, INC.		
A provider of geospatial services to corporate and government clients.		
10.5% Senior Secured Term Note due 2014	\$ 930,000	03/09/07
14% Senior Subordinated Note due 2015	\$ 720,000	03/09/07
Common Stock (B)	150,000 shs.	03/09/07
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	37,780 shs.	03/09/07
ALL CURRENT HOLDING COMPANY		
A specialty re-seller of essential electrical parts and components primarily serving wholesale di		
12% Senior Subordinated Note due 2015	\$ 603,697	09/26/08
Common Stock (B)	713 shs.	09/26/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	507 shs.	09/26/08
AMERICAN HOSPICE MANAGEMENT HOLDING LLC		
A for-profit hospice care provider in the United States.		
12% Senior Subordinated Note due 2013	\$ 1,687,503	*
Preferred Class A Unit (B)	1,706 uts.	**
Preferred Class B Unit (B)	808 uts.	06/09/08
Common Class B Unit (B)	16,100 uts.	01/22/04
Common Class D Unit (B)	3,690 uts.	09/12/06
* 01/22/04 and 06/09/08. ** 01/22/04 and 09/12/06.		
APEX ANALYTIX HOLDING CORPORATION		
A provider of audit recovery and fraud detection services and software to commercial and retail b		
12.5% Senior Subordinated Note due 2016	\$ 1,012,500	04/28/09
Preferred Stock Series B (B)	1,623 shs.	04/28/09
Common Stock (B)	723 shs.	04/28/09

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2010
 (Unaudited)

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
ARROW TRU-LINE HOLDINGS, INC.		
A manufacturer of hardware for residential and commercial overhead garage doors in North America.		
12% Senior Subordinated Note due 2012	\$ 984,209	05/18/05
Preferred Stock (B)	33 shs.	10/16/09
Common Stock (B)	263 shs.	05/18/05
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	69 shs.	05/18/05
ASSOCIATED DIVERSIFIED SERVICES		
A provider of routine maintenance and repair services primarily to electric utility companies pre distribution lines.		
10% Senior Secured Term Note due 2016 (C)	\$ 323,700	09/30/10
13% Senior Subordinated Note due 2017	\$ 296,180	09/30/10
Limited Liability Company Unit Class B (B)	36,000 uts.	09/30/10
Limited Liability Company Unit Class B OID (B)	27,520 uts.	09/30/10
BARCODES GROUP, INC.		
A distributor and reseller of automatic identification and data capture equipment, including mobil point-of-sale systems, labels, and accessories.		
13.5% Senior Subordinated Note due 2016	\$ 638,651	07/27/10
Preferred Stock (B)	13 shs.	07/27/10
Common Stock Class A (B)	44 shs.	07/27/10
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	8 shs.	07/27/10
BRAVO SPORTS HOLDING CORPORATION		
A designer and marketer of niche branded consumer products including canopies, trampolines, in-li urethane wheels.		
12.5% Senior Subordinated Note due 2014	\$ 1,207,902	06/30/06
Preferred Stock Class A (B)	465 shs.	06/30/06
Common Stock (B)	1 sh.	06/30/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	164 shs.	06/30/06
C D N T, INC.		
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, 10.5% Senior Secured Term Note due 2014		
12.5% Senior Subordinated Note due 2015	\$ 377,112	08/07/08
Common Stock (B)	\$ 429,070	08/07/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	41,860 shs.	08/07/08
	32,914 shs.	08/07/08

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MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2010
(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CAPITAL SPECIALTY PLASTICS, INC.		
A producer of desiccant strips used for packaging pharmaceutical products.		
Common Stock (B)	55 shs.	*
*12/30/97 and 05/29/99.		
CLOUGH, HARBOUR AND ASSOCIATES		
An engineering service firm that is located in Albany, NY.		
12.25% Senior Subordinated Note due 2015	\$ 1,270,588	12/02/08
Preferred Stock (B)	147 shs.	12/02/08
COEUR, INC.		
A producer of proprietary, disposable power injection syringes.		
12% Senior Subordinated Note due 2016	\$ 642,857	10/10/08
Common Stock (B)	321 shs.	10/10/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	495 shs.	10/10/08
CONNECTICUT ELECTRIC, INC.		
A supplier and distributor of electrical products sold into the retail and wholesale markets.		
10% Senior Subordinated Note due 2014 (D)	\$ 771,051	01/12/07
Limited Liability Company Unit Class A (B)	82,613 uts.	01/12/07
Limited Liability Company Unit Class C (B)	59,756 uts.	01/12/07
Limited Liability Company Unit Class D (B)	671,525 uts.	05/03/10
Limited Liability Company Unit Class E (B)	1,102 uts.	05/03/10
CONNOR SPORT COURT INTERNATIONAL, INC.		
A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary f		
Preferred Stock Series B-2 (B)	9,081 shs.	07/05/07
Preferred Stock Series C (B)	4,757 shs.	07/05/07
Common Stock (B)	380 shs.	07/05/07
Limited Partnership Interest (B)	6.88% int.	*
*08/12/04 and 01/14/05.		
COREPHARMA LLC		
A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.		
12% Senior Subordinated Note due 2013	\$ 1,350,000	08/04/05
Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)	10 shs.	08/04/05

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CRANE RENTAL CORPORATION		
A crane rental company.		
13% Senior Subordinated Note due 2015	\$ 1,215,000	08/21/08
Common Stock (B)	135,000 shs.	08/21/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	72,037 shs.	08/21/08
CUSTOM ENGINEERED WHEELS, INC.		
A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used in products and wheelchairs.		
12.5% Senior Subordinated Note due 2016	\$ 1,155,288	10/27/09
Preferred Stock PIK (B)	156 shs.	10/27/09
Preferred Stock Series A (B)	114 shs.	10/27/09
Common Stock (B)	38 shs.	10/27/09
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	28 shs.	10/27/09
DAVIS-STANDARD LLC		
A manufacturer, assembler, and installer of a broad range of capital equipment that is used in the processing of plastic materials.		
12% Senior Subordinated Note due 2014	\$ 978,261	10/30/06
Limited Partnership Interest (B)	0.97% int.	10/30/06
Warrant, exercisable until 2014, to purchase preferred stock at \$.01 per share (B)	26 shs.	10/30/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	18 shs.	10/30/06
DIVERSCO, INC./DHI HOLDINGS, INC.		
A contract provider of janitorial and equipment maintenance services and temporary production labor		
Membership Interests of MM/Lincap Diversco Investments Ltd. LLC (B)	13.57% int.	08/27/98
Warrants, exercisable until 2011, to purchase common stock of DHI Holdings, Inc. at \$.01 per share (B)	6,676 shs.	*

*10/24/96 and 08/28/98.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

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	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
DUNCAN SYSTEMS, INC.		
A distributor of windshields and side glass for the recreational vehicle market.		
10% Senior Secured Term Note due 2013	\$ 231,429	11/01/06
13% Senior Subordinated Note due 2014	\$ 488,572	11/01/06
Common Stock (B)	102,857 shs.	11/01/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	32,294 shs.	11/01/06
Dwyer Group, Inc.		
A franchiser of a variety of home repair services.		
Common Stock (B)	3,656 shs.	*
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	1,077 shs.	10/30/03
*10/30/03 and 01/02/04.		
E S P HOLDCO, INC.		
A manufacturer of power protection technology for commercial office equipment, primarily supplying network.		
14% Senior Subordinated Note due 2015	\$ 1,241,169	01/08/08
Common Stock (B)	349 shs.	01/08/08
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)	11 shs.	06/28/04
EATEM HOLDING COMPANY		
A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products for retail and foodservice end products.		
12.5% Senior Subordinated Note due 2018	\$ 950,000	02/01/10
Common Stock (B)	50 shs.	02/01/10
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	119 shs.	02/01/10
F C X HOLDINGS CORPORATION		
A distributor of specialty/technical valves, actuators, accessories, and process instrumentation high purity, and energy end markets in North America.		
15% Senior Subordinated Note due 2015	\$ 1,186,983	10/06/08
Preferred Stock (B)	2,298 shs.	10/06/08
Common Stock (B)	1,625 shs.	10/06/08

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CORPORATE RESTRICTED SECURITIES:(A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
F F C HOLDING CORPORATION		
A leading U.S. manufacturer of private label frozen novelty and ice cream products.		
16% Senior Subordinated Note due 2014	\$ 829,268	09/27/10
Limited Liability Company Units Preferred (B)	171 uts.	09/27/10
Limited Liability Company Units (B)	171 uts.	09/27/10
F H S HOLDINGS LLC		
A national provider of customized disease management services to large self-insured employers.		
12% Senior Subordinated Note due 2014 (D)	\$ 1,265,625	06/01/06
Limited Liability Company Units of Linden/FHS Holdings LLC (B)	84 uts.	06/01/06
Common Unit Class B (B)	734 uts.	06/01/06
FLUTES, INC.		
An independent manufacturer of micro fluted corrugated sheet material for the food and consumer p		
10% Senior Secured Term Note due 2013 (D)	\$ 524,791	04/13/06
14% Senior Subordinated Note due 2014 (D)	\$ 317,177	04/13/06
GOLDEN COUNTY FOODS HOLDING, INC.		
A manufacturer of frozen appetizers and snacks.		
16% Senior Subordinated Note due 2015	\$ 1,012,500	11/01/07
16% PIK Note due 2015	\$ 250,259	12/31/08
8% Series A Convertible Preferred Stock, convertible into fully diluted common shares (B)	77,643 shs.	11/01/07
H M HOLDING COMPANY		
A designer, manufacturer, and importer of promotional and wood furniture.		
7.5% Senior Subordinated Note due 2013 (D)	\$ 362,700	10/15/09
Preferred Stock (B)	21 shs.	*
Preferred Stock Series B (B)	1,088 shs.	10/15/09
Common Stock (B)	180 shs.	02/10/06
Common Stock Class C (B)	296 shs.	10/15/09
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	67 shs.	02/10/06
* 09/18/07 and 06/27/08.		
HIGHGATE CAPITAL LLC		
An acquirer of controlling or substantial interests in manufacturing and marketing entities.		
Series A Preferred Units (B)	0.30% int.	07/21/94

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 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
HOME DECOR HOLDING COMPANY		
A designer, manufacturer and marketer of framed art and wall decor products.		
12.5% Senior Subordinated Note due 2012	\$ 1,081,731	*
Common Stock (B)	33 shs.	*
Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)	106 shs.	*
* 06/30/04 and 08/19/04.		
HOSPITALITY MINTS HOLDING COMPANY		
A manufacturer of individually-wrapped imprinted promotional mints.		
12% Senior Subordinated Note due 2016	\$ 1,098,837	08/19/08
Common Stock (B)	251 shs.	08/19/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	65 shs.	08/19/08
INSURANCE CLAIMS MANAGEMENT, INC.		
A third party administrator providing auto and property claim administration services for insurance		
Common Stock (B)	37 shs.	02/27/07
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	11 shs.	02/27/07
INTERNATIONAL OFFSHORE SERVICES LLC		
A leading provider of marine transportation services, platform decommissioning, and salvage services in shallow waters of the Gulf of Mexico.		
14.25% Senior Subordinated Secured Note due 2017	\$ 1,350,000	07/07/09
Limited Liability Company Unit (B)	1,647 uts.	07/07/09
JASON, INC.		
A diversified manufacturing company serving various industrial markets.		
13% Senior Subordinated Note due 2010 (D)	\$ 510,187	08/04/00
Limited Partnership Interest of Saw Mill Capital Fund II, L.P. (B)	1.30% int.	08/03/00
JUSTRITE MANUFACTURING ACQUISITION CO.		
A manufacturer of safety products such as storage cabinets and containers.		
12% Senior Subordinated Note due 2011	\$ 843,750	12/15/04
Warrant, exercisable until 2011, to purchase		

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

594 shs.

12/15/04

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
K H O F HOLDINGS, INC.		
A manufacturer of premium disposable tableware products serving both the foodservice and consumer markets.		
Common Stock (B)	116,827 shs.	10/15/07
K N B HOLDINGS CORPORATION		
A designer, manufacturer and marketer of products for the custom framing market.		
15.5% Senior Subordinated Note due 2013 (D)	\$ 1,595,057	05/25/06
Common Stock (B)	71,053 shs.	05/25/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	43,600 shs.	05/25/06
K P I HOLDINGS, INC.		
The largest player in the U.S. non-automotive, non-ferrous die casting segment.		
18% Senior Subordinated Note due 2014 (D)	\$ 1,115,217	07/16/08
Convertible Preferred Stock Series C (B)	29 shs.	06/30/09
Convertible Preferred Stock Series D (B)	13 shs.	09/17/09
Common Stock (B)	235 shs.	07/15/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	388 shs.	*
* 07/16/08 and 09/17/09.		
K W P I HOLDINGS CORPORATION		
A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.		
18% Senior Subordinated Note due 2014 (D)	\$ 1,555,404	03/14/07
Common Stock (B)	123 shs.	03/13/07
Warrant, exercisable until 2019, to purchase preferred stock at \$.01 per share (B)	71 shs.	07/07/09
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	89 shs.	03/14/07
L H D EUROPE HOLDINGS, INC.		
A non-carbonated beverage dispensing company focused on the foodservice industry.		
Common Stock (B)	45 shs.	12/28/09

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September 30, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
M V I HOLDING, INC.		
A manufacturer of large precision machined metal components used in equipment which services a va the oil and gas, mining, and defense markets.		
13% Senior Subordinated Note due 2016	\$ 656,154	09/12/08
Common Stock (B)	32 shs.	09/12/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/12/08
MAIL COMMUNICATIONS GROUP, INC.		
A provider of mail processing and handling services, lettershop services, and commercial printing		
12.5% Senior Subordinated Note due 2014	\$ 516,177	05/04/07
Limited Liability Company Unit (B)	12,763 uts.	*
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	1,787 shs.	05/04/07
* 05/04/07 and 01/02/08.		
MANHATTAN BEACHWEAR HOLDING COMPANY		
A designer and distributor of women's swimwear.		
12.5% Senior Subordinated Note due 2018	\$ 882,353	01/15/10
Common Stock (B)	118 shs.	01/15/10
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	104 shs.	01/15/10
MAVERICK ACQUISITION COMPANY		
A manufacturer of capsules that cover the cork and neck of wine bottles.		
6.79% Senior Secured Tranche A Note due 2011 (C)	\$ 81,741	09/03/04
12.5% Senior Secured Tranche B Note due 2011	\$ 179,104	09/03/04
6.79% Senior Secured Revolver due 2011 (C)	\$ 44,777	09/03/04
Limited Partnership Interest (B)	4.48% int.	09/03/04
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	243 shs.	09/03/04
MBWS ULTIMATE HOLDCO, INC.		
A provider of services throughout North Dakota that address the fluid management and related tran		
12% Senior Subordinated Note due 2016	\$ 883,721	09/07/10
Preferred Stock Series A (B)	1,388 shs.	09/07/10
Common Stock (B)	153 shs.	09/07/10
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	386 shs.	09/07/10

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
MEDSYSTEMS HOLDINGS LLC		
A manufacturer of enteral feeding products, such as feeding tubes and other products related to a		
13% Senior Subordinated Note due 2015	\$ 620,676	08/29/08
Preferred Unit (B)	66 uts.	08/29/08
Common Unit Class A (B)	671 uts.	08/29/08
Common Unit Class B (B)	250 uts.	08/29/08
MEGTEC HOLDINGS, INC.		
A supplier of industrial and environmental products and services to a broad array of industries.		
12% Senior Subordinated Note due 2016	\$ 1,144,068	09/24/08
Preferred Stock (B)	56 shs.	09/24/08
Limited Partnership Interest (B)	0.74% int.	09/16/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	18 shs.	09/24/08
MICROGROUP, INC.		
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and		
12% Senior Subordinated Note due 2013 (D)	\$ 1,421,795	*
Common Stock (B)	238 shs.	*
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	87 shs.	*
* 08/12/05 and 09/11/06.		
MILWAUKEE GEAR COMPANY		
A manufacturer of high-precision custom gears and gear drives used by original equipment manufact		
13% Senior Subordinated Note due 2014	\$ 1,246,154	07/21/08
Preferred Stock (B)	139 shs.	07/21/08
Common Stock (B)	9 shs.	07/21/08
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	6 shs.	07/21/08
MOMENTUM HOLDING CO.		
A designer and supplier of upholstery fabric to commercial furniture manufacturers and architectu		
Limited Partnership Interest (B)	11.24% int.	08/04/06
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	586 shs.	08/04/06

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
MONESSEN HOLDING CORPORATION		
A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories		
14% Senior Subordinated Note due 2014 (D)	\$ 1,350,000	07/25/08
14% PIK Note due 2014 (D)	\$ 419,713	07/25/08
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	81 shs.	03/31/06
NABCO, INC.		
A producer of explosive containment vessels in the United States.		
14% Senior Subordinated Note due 2014 (D)	\$ 330,882	02/24/06
Limited Liability Company Unit (B)	437 uts.	*
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	68 shs.	02/24/06
* 02/24/06 and 06/22/07.		
NAVIS GLOBAL		
A designer, manufacturer, seller and servicer of finishing machinery for the knit and woven segments		
10.75% Senior Secured Note due 2011 (D)	\$ 397,479	05/28/04
14% Senior Subordinated Note due 2014 (D)	\$ 780,219	05/28/04
NESCO HOLDINGS CORPORATION		
A sales and leasing company that provides equipment to the electric utility, telecommunications, and other industries		
12% Senior Secured Subordinated Note due 2015	\$ 1,125,000	08/02/07
Common Stock (B)	225,000 shs.	08/02/07
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	63,191 shs.	08/02/07
NETSHAPE TECHNOLOGIES, INC.		
A manufacturer of powder metal and metal injection molded precision components used in industrial machinery		
12% Senior Subordinated Note due 2014	\$ 810,000	02/02/07
Limited Partnership Interest of Saw Mill PCG Partners LLC (B)	1.38% int.	02/01/07
Limited Liability Company Unit Class D of Saw Mill PCG Partners LLC (B)	8 uts.	*
Limited Liability Company Unit Class D-1 of Saw Mill PCG Partners LLC (B)	65 uts.	09/30/09
Preferred Stock Class A (B)	1 sh.	12/18/08
Preferred Stock Class A-1 (B)	6 shs.	09/30/09
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	48 shs.	02/02/07

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* 12/18/08 and 09/30/09.

 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
NORTHWEST MAILING SERVICES, INC.		
A producer of promotional materials for companies that use direct mail as part of their customer		
12% Senior Subordinated Note due 2016	\$ 1,492,105	*
Limited Partnership Interest (B)	1,724 uts.	*
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	2,605 shs.	*
* 07/09/09 and 08/09/10.		
NYLONCRAFT, INC.		
A supplier of engineered plastic components for the automotive industry.		
10% Senior Secured Note due 2012	\$ 464,286	01/28/02
15% Senior Subordinated Note due 2012 (D)	\$ 285,714	01/28/02
Convertible Preferred Stock A (B)	571 shs.	01/28/02
Common Stock (B)	178,571 shs.	01/28/02
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	138,928 shs.	01/28/02
O E C HOLDING CORPORATION		
A provider of elevator maintenance, repair and modernization services.		
13% Senior Subordinated Note due 2017	\$ 444,445	06/04/10
Preferred Stock Series A (B)	554 shs.	06/04/10
Preferred Stock Series B (B)	311 shs.	06/04/10
Common Stock (B)	344 shs.	06/04/10
OAKRIVER TECHNOLOGY, INC.		
Designs, engineers and assembles high precision automated process equipment for the medical device defibrillators and stents.		
10% Senior Secured Note due 2012	\$ 45,982	01/03/06
13% Senior Subordinated Note due 2013	\$ 392,709	01/03/06
Common Stock (B)	184,176 shs.	01/03/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	43,073 shs.	01/03/06
OLYMPIC SALES, INC.		
A boat retailer in Washington state, Oregon, California and British Columbia.		
12% Senior Subordinated Note due 2010 (D)	\$ 511,000	08/07/98
12% Senior Subordinated Note due 2010 (D)	\$ 244,154	02/09/00

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
ONTARIO DRIVE & GEAR LTD. A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories. Limited Liability Company Unit (B)		
	1,942 uts.	01/17/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)		
	328 shs.	01/17/06
P A S HOLDCO LLC An independent provider of maintenance, repair and overhaul services to the aerospace gas turbine 14% Senior Subordinated Note due 2014		
	\$ 1,249,031	07/03/06
Preferred Unit (B)		
	202 uts.	07/03/06
Preferred Unit (B)		
	36 uts.	07/03/06
Common Unit Class I (B)		
	78 uts.	07/03/06
Common Unit Class L (B)		
	17 uts.	07/03/06
P I I HOLDING CORPORATION A manufacturer of plastic film and bags for the general industrial, medical, and food industries. 12% Senior Subordinated Note due 2013		
	\$ 1,215,000	03/31/06
Preferred Stock (B)		
	19 shs.	03/31/06
Common Stock (B)		
	12 shs.	03/31/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)		
	7 shs.	03/31/06
PACIFIC CONSOLIDATED HOLDINGS LLC A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in and medical sectors. 14% Senior Subordinated Note due 2012		
	\$ 719,041	04/27/07
5% Senior Subordinated Note due 2012		
	\$ 42,187	07/21/10
Preferred Shares Series E (B)		
	42,187 shs.	07/21/10
Limited Liability Preferred Unit (B)		
	928,962 uts.	04/27/07
PARADIGM PACKAGING, INC. A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care 12% Senior Subordinated Note due 2011		
	\$ 1,125,000	12/19/00
Membership Interests of MM/Lincap PPI Investments, Inc., LLC (B)		
	1.28% int.	12/21/00

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
PEARLMAN ENTERPRISES, INC.		
A developer and distributor of tools, equipment and supplies to the natural and engineered stone		
Preferred Stock Series A (B)	1,236 shs.	05/22/09
Preferred Stock Series B (B)	7,059 shs.	05/22/09
Common Stock (B)	21,462 shs.	05/22/09
POSTLE ALUMINUM COMPANY LLC		
A manufacturer and distributor of aluminum extruded products.		
15% Senior Subordinated Note due 2013	\$ 817,979	06/03/10
3% Senior Subordinated PIK Note due 2014 (D)	\$ 1,209,017	10/02/06
Limited Liability Company Unit Class A (B)	733 uts.	10/02/06
Limited Liability Company Unit (B)	76 uts.	05/22/09
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	4,550 shs.	10/02/06
POWER SERVICES HOLDING COMPANY		
A provider of industrial motor repair services, predictive and preventative maintenance, and performance serving the petrochemical, mining, power generation, metals, and paper industries.		
12% Senior Subordinated Note due 2016	\$ 1,255,814	02/11/08
Limited Partnership Interest (B)	12.55% int.	02/11/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	700 shs.	02/11/08
PRECISION WIRE HOLDING COMPANY		
A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical		
14.25% Senior Subordinated Note due 2016	\$ 1,368,089	11/12/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	109 shs.	11/12/09
QUALIS AUTOMOTIVE LLC		
A distributor of aftermarket automotive brake and chassis products.		
13% Senior Subordinated Note due 2013	\$ 922,612	05/28/04
Common Stock (B)	187,500 shs.	05/28/04
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	199,969 shs.	05/28/04

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CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
R A J MANUFACTURING HOLDINGS LLC		
A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.		
14.5% Senior Subordinated Note due 2014	\$ 1,384,011	12/15/06
Limited Liability Company Unit (B)	1,497 uts.	12/15/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	2 shs.	12/15/06
R E I DELAWARE HOLDING, INC.		
An engineer and manufacturer of highly complex, close tolerance components, assemblies, tooling and equipment primarily for aerospace, medical and defense/radar markets.		
12% Senior Subordinated Note due 2016	\$ 1,350,000	01/18/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	3 shs.	01/18/08
ROYAL BATHS MANUFACTURING COMPANY		
A manufacturer and distributor of acrylic and cultured marble bathroom products.		
12.5% Senior Subordinated Note due 2011	\$ 562,500	11/14/03
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	74 shs.	11/14/03
SAFETY SPEED CUT MANUFACTURING COMPANY, INC.		
A manufacturer of vertical panel saws and routers for the woodworking industry.		
Class B Common Stock (B)	846 shs.	06/02/99
SAVAGE SPORTS HOLDING, INC.		
A manufacturer of sporting firearms.		
12% Senior Subordinated Note due 2012	\$ 814,655	09/10/04
Preferred Stock Series A (B)	35,038 shs.	05/28/10
Common Stock (B)	324 shs.	*
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	71 shs.	09/10/04
* 09/10/04 and 10/05/07.		
SENCORE HOLDING COMPANY		
A designer, manufacturer, and marketer of decoders, receivers and modulators sold to broadcasters and operators for encoding/decoding analog and digital transmission video signals.		
12.5% Senior Subordinated Note due 2014	\$ 934,615	01/15/09

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Common Stock (B)	69 shs.	01/15/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	149 shs.	01/15/09

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2010
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
SMART SOURCE HOLDINGS LLC		
A short-term computer rental company.		
12% Senior Subordinated Note due 2015	\$ 1,176,924	*
Limited Liability Company Unit (B)	328 uts.	*
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	83 shs.	*
* 08/31/07 and 03/06/08.		
SPARTAN FOODS HOLDING COMPANY		
A manufacturer of branded pizza crusts and pancakes.		
12.25% Senior Subordinated Note due 2017	\$ 1,012,500	12/15/09
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	136 shs.	12/15/09
SPECIALTY COMMODITIES, INC.		
A distributor of specialty food ingredients.		
13.25% Senior Subordinated Note due 2016	\$ 1,220,311	10/23/08
Common Stock (B)	15,882 shs.	10/23/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	5,852 shs.	10/23/08
STANTON CARPET HOLDING CO.		
A designer and marketer of high and mid-priced decorative carpets and rugs.		
12.13% Senior Subordinated Note due 2014	\$ 1,185,366	08/01/06
Common Stock (B)	165 shs.	08/01/06
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	55 shs.	08/01/06
SUNDANCE INVESTCO LLC		
A provider of post-production services to producers of movies and television shows.		
Limited Liability Company Unit Class A (B)	3,405 shs.	03/31/10
SYNTERACT HOLDINGS CORPORATION		
A provider of outsourced clinical trial management services to pharmaceutical and biotechnology c		

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14.5% Senior Subordinated Note due 2016	\$ 1,381,270	09/02/08
Redeemable Preferred Stock Series A (B)	678 shs.	09/02/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	6,778 shs.	09/02/08