

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
November 25, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of
Registered Management Investment Company

Investment Company Act file number 811-02183

Babson Capital Corporate Investors

(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

(Address of principal executive offices) (Zip code)

Christopher A. DeFrancis, Vice President, Secretary and Chief Legal Officer
1500 Main Street, Suite 2800, Springfield, MA 01115

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 09/30/14

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2014

(Unaudited)

Corporate Restricted Securities - 84.26%: (A)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Private Placement Investments - 66.45%				
1492 Acquisition LLC				
A leading producer of premium Italian cured meats and deli meats in the U.S.				
14% Senior Subordinated Note due 2019				
	\$ 1,617,885	10/17/12	\$ 1,591,890	\$ 1,574,664
Limited Liability Company				
Unit Class A Common (B)	27,273 uts.	10/17/12	27,273	56,043
Limited Liability Company				
Unit Class A Preferred (B)	245 uts.	10/17/12	245,450	275,526
			1,855,695	1,978,516
A H C Holding Company, Inc.				
A designer and manufacturer of boilers and water heaters for the commercial sector.				
Limited Partnership Interest (B)				
	23.16% int.	11/21/07	181,387	506,376
A S C Group, Inc.				
A designer and manufacturer of high reliability encryption equipment, communications products, computing systems and electronic components primarily for the military and aerospace sectors.				
14% Senior Subordinated Note due 2020				
	\$ 1,962,265	12/20/13	1,926,290	2,001,510
Limited Liability Company				
Unit Class A (B)	5,843 uts.	*	290,317	476,631
Limited Liability Company				
Unit Class B (B)	2,793 uts.	10/09/09	100,114	227,833
			2,316,721	2,705,974
* 10/09/09 and 12/20/13.				
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 2015 (D)				
	\$ 735,000	05/15/08	724,402	367,500
13% Senior Subordinated Note due 2015 (D)				
	\$ 735,000	05/15/08	673,096	-
Common Stock (B)				
	105,000 shs.	05/15/08	105,000	-

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Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	36,923 shs.	05/15/08	62,395 1,564,893	- 367,500
ABC Industries, Inc.				
A manufacturer of mine and tunneling ventilation products in the U.S.				
13% Senior Subordinated				
Note due 2019	\$ 1,200,000	08/01/12	1,100,057	1,212,000
Preferred Stock Series A (B)	300,000 shs.	08/01/12	300,000	493,442
Warrant, exercisable until 2022, to purchase common stock at \$.02 per share (B)	53,794 shs.	08/01/12	101,870 1,498,485	83,384 1,729,357
ACP Cascade Holdings LLC				
A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.				
Limited Liability Company				
Unit Class B (B)	64 uts.	11/09/12	-	-

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Advanced Manufacturing Enterprises LLC				
A designer and manufacturer of large, custom gearing products for a number of critical customer applications.				
14% Senior Subordinated Note due 2018	\$ 2,723,077	12/07/12	\$ 2,691,171	\$ 2,707,809
Limited Liability Company Unit (B)	3,434 uts.	*	343,385	325,529
* 12/07/12 and 07/11/13.			3,034,556	3,033,338
Advanced Technologies Holdings				
A provider of factory maintenance services to industrial companies.				
Preferred Stock Series A (B)	626 shs.	12/27/07	309,806	1,074,813
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800	90,115
			350,606	1,164,928
All Current Holding Company				
A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors.				
Common Stock (B)	1,347 shs.	09/26/08	134,683	270,853
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	958 shs.	09/26/08	87,993	192,633
			222,676	463,486
American Hospice Management Holding LLC				
A for-profit hospice care provider in the United States.				
12% Senior Subordinated Note due 2014	\$ 2,337,496	*	2,336,731	2,220,621
Preferred Class A Unit (B)	3,223 uts.	**	322,300	-
Preferred Class B Unit (B)	1,526 uts.	06/09/08	152,626	187,682
Common Class B Unit (B)	30,420 uts.	01/22/04	1	-
Common Class D Unit (B)	6,980 uts.	09/12/06	1	-
* 01/22/04 and 06/09/08.			2,811,659	2,408,303
** 01/22/04 and 09/16/06.				

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AMS Holding LLC

A leading multi-channel direct marketer of high-value collectible coins and proprietary-branded jewelry and watches.

Limited Liability Company

Unit Class A Preferred (B)	273 uts.	10/04/12	272,727	622,137
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Arch Global Precision LLC

A leading manufacturer of high tolerance precision components and consumable tools.

14.75% Senior Subordinated

Note due 2018	\$ 2,427,784	12/21/11	2,385,443	2,476,340
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Limited Liability Company

Unit Class B (B)	79 uts.	12/21/11	85,250	248,306
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Limited Liability Company

Unit Class C (B)	671 uts.	12/21/11	664,750 3,135,443	1,999,813 4,724,459
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
ARI Holding Corporation				
A leading national supplier of products used primarily by specialty contractors.				
11.5% Senior Subordinated Note due 2020				
	\$ 3,387,919	*	\$ 3,335,429	\$ 3,379,907
Limited Partnership Interest				
	1,048 uts.	08/01/14	1,047,900	747,738
* 05/21/13 and 08/01/14.				
			4,383,329	4,127,645
Arrow Tru-Line Holdings, Inc.				
A manufacturer of hardware for residential and commercial overhead garage doors in North America.				
12% Senior Subordinated Note due 2016				
	\$ 298,056	10/16/09	265,723	298,056
Preferred Stock (B)				
	63 shs.	10/16/09	62,756	223,519
Common Stock (B)				
	497 shs.	05/18/05	497,340	37,677
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)				
	130 shs.	05/18/05	112,128	9,877
			937,947	569,129
Avantech Testing Services LLC				
A manufacturer of custom Non-Destructive Testing ("NDT") systems and provider of NDT and inspections services primarily to the oil country tubular goods market.				
15% Senior Subordinated Note due 2020				
	\$ 1,006,250	07/31/14	986,652	1,004,550
Limited Liability Company Unit				
	75,000 uts.	07/31/14	750,000	712,500
			1,736,652	1,717,050
Baby Jogger Holdings LLC				
A designer and marketer of premium baby strollers and stroller accessories.				
14% Senior Subordinated Note due 2019				
	\$ 2,826,634	04/20/12	2,784,937	2,854,901
Common Stock (B)				
	2,261 shs.	04/20/12	226,132	398,423
			3,011,069	3,253,324
Blue Wave Products, Inc.				
A distributor of pool supplies.				
10% Senior Secured Term Note due 2018				
	\$ 714,893	10/12/12	704,400	714,893

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13% Senior Subordinated				
Note due 2019	\$ 729,115	10/12/12	686,276	734,788
Common Stock (B)	114,894 shs.	10/12/12	114,894	193,459
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)				
	45,486 shs.	10/12/12	45,486	76,589
			1,551,056	1,719,729
BP SCI LLC				
A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets.				
14% Senior Subordinated				
Note due 2018	\$ 2,599,754	10/17/12	2,561,670	2,625,752
Limited Liability Company				
Unit Class A (B)	1,000 uts.	10/17/12	100,000	324,325
Limited Liability Company				
Unit Class B (B)	400 uts.	10/17/12	400,000	490,513
			3,061,670	3,440,590

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Bravo Sports Holding Corporation				
A designer and marketer of niche branded consumer products including canopies, trampolines, in-line skates, skateboards, and urethane wheels.				
12.5% Senior Subordinated Note due 2015	\$ 2,281,593	06/30/06	\$ 2,278,514	\$ 2,231,805
Preferred Stock Class A (B)	879 shs.	06/30/06	268,121	209,503
Common Stock (B)	1 sh.	06/30/06	286	-
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	309 shs.	06/30/06	92,102	73,629
			2,639,023	2,514,937
C D N T, Inc.				
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils.				
12.5% Senior Subordinated Note due 2015	\$ 750,872	08/07/08	738,018	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	172,875
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689	135,929
			868,963	1,059,676
Capital Specialty Plastics, Inc.				
A producer of desiccant strips used for packaging pharmaceutical products.				
Common Stock (B)	109 shs.	*	503	1,575,000
*12/30/97, 05/29/99 and 02/28/01				
CG Holdings Manufacturing Company				
A coating provider serving the automotive, agricultural, heavy truck and other end markets.				
13% Senior Subordinated Note due 2019	\$ 3,390,252	*	3,220,349	3,464,863
Preferred Stock (B)	3,241 shs.	*	324,054	337,259

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Preferred Stock (B)	1,174 shs.	*	116,929	122,192
Common Stock (B)	337 shs.	*	35,673	-
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B) *05/09/13 and 11/01/13	137 shs.	05/09/13	13,033	-
			3,710,038	3,924,314
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	\$ 2,260,942	01/19/11	2,184,271	2,283,551
14% Senior Subordinated Note due 2019	\$ 587,609	08/03/12	578,748	593,485
Common Stock (B)	1,125 shs.	01/19/11	112,500	171,320
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	884 shs.	01/19/11	87,750	134,668
			2,963,269	3,183,024

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Church Services Holding Company				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
14.5% Senior Subordinated Note due 2018	\$ 1,261,647	03/26/12	\$ 1,233,515	\$ 1,261,988
10% Senior Subordinated Note due 2015	\$ 19,079	09/15/14	19,079	19,084
Common Stock (B)	3,981 shs.	*	398,100	200,586
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	172 shs.	03/26/12	17,220	8,666
*03/26/12, 05/25/12 and 06/19/12.			1,667,914	1,490,324
Clough, Harbour and Associates				
An engineering service firm that is located in Albany, NY.				
Preferred Stock (B)	277 shs.	12/02/08	276,900	400,114
Connecticut Electric, Inc.				
A supplier and distributor of electrical products sold into the retail and wholesale markets.				
Limited Liability Company Unit Class A (B)	156,046 uts.	01/12/07	156,046	113,303
Limited Liability Company Unit Class C (B)	112,873 uts.	01/12/07	112,873	87,827
Limited Liability Company Unit Class D (B)	1,268,437 uts.	05/03/10	-	1,415,965
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	-	-
			268,919	1,617,095
Connor Sport Court International, Inc.				
A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products.				
Preferred Stock Series B-2 (B)	17,152 shs.	07/05/07	700,392	571,749
Preferred Stock Series C (B)	7,080 shs.	07/05/07	236,503	1,851,562
Common Stock (B)	718 shs.	07/05/07	7	329
Limited Partnership Interest (B)	12.64% int.	*	189,586	-

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*08/12/04 and 01/14/05. 1,126,488 2,423,640

CorePharma LLC

A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.

Warrant, exercisable until 2015,

to purchase

common stock at \$.001 per

share (B)

20 shs.

08/04/05

137,166

438,918

Crane Rental Corporation

A crane rental company since 1960, headquartered in Florida.

13% Senior Subordinated Note

due 2015

\$ 1,950,750

08/21/08

1,906,601

1,950,750

Common Stock (B)

255,000 shs.

08/21/08

255,000

132,718

Warrant, exercisable until 2016,

to purchase

common stock at \$.01 per share

(B)

136,070 shs.

08/21/08

194,826

70,819

2,356,427

2,154,287

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
CTM Holding, Inc.				
A leading owner and operator of coin-operated children's rides, penny presses and candy kiosks in the U.S.				
15% Senior Subordinated Note due 2019	\$ 2,425,074	11/22/13	\$ 2,382,240	\$ 2,485,273
Common Stock (B)	62,088 shs.	11/22/13	886,364	745,017
			3,268,604	3,230,290
Custom Engineered Wheels, Inc.				
A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used primarily for lawn and garden products and wheelchairs.				
Preferred Stock PIK (B)	296 shs.	10/26/09	295,550	432,250
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	315,818
Common Stock (B)	72 shs.	10/26/09	72,238	47,454
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	53 shs.	10/27/09	48,608	34,671
			613,548	830,193
DPL Holding Corporation				
A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.				
14% Senior Subordinated Note due 2019	\$ 3,221,599	05/04/12	3,174,771	3,202,264
Preferred Stock (B)	61 shs.	05/04/12	605,841	691,470
Common Stock (B)	61 shs.	05/04/12	67,316	170,953
			3,847,928	4,064,687
E S P Holdco, Inc.				
A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.				
Common Stock (B)	660 shs.	01/08/08	329,990	468,866
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	2,636,750	2,878,500
Common Stock (B)	150 shs.	02/01/10	150,000	222,094
	358 shs.	02/01/10	321,300	529,546

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

3,108,050 3,630,140

ELT Holding Company

A provider of web-based ethics and compliance training solutions for companies in the United States.

Common Stock (B) 122 shs. 03/01/12 272,727 649,688

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
EPM Holding Company				
A provider of non-discretionary regulatory driven engineering services that support mission critical safety and operational aspects of nuclear power plants.				
14.5% Senior Subordinated				
Note due 2019	\$ 1,185,427	07/26/13	\$ 1,165,497	\$ 1,209,136
Common Stock	3,069 shs.	07/26/13	306,947	199,508
			1,472,444	1,408,644
ERG Holding Company LLC				
A provider of inpatient and outpatient clinical trial services to pharmaceutical companies and contract research organizations.				
13.5% Senior Subordinated				
Note due 2019	\$ 1,901,636	04/04/14	1,866,213	1,914,697
Common Stock (B)	63 shs.	04/04/14	157,314	157,325
			2,023,527	2,072,022
F F C Holding Corporation				
A leading U.S. manufacturer of private label frozen novelty and ice cream products.				
Limited Liability Company				
Unit Preferred (B)	512 uts.	09/27/10	175,035	622,899
Limited Liability Company				
Unit (B)	512 uts.	09/27/10	51,220	87,926
			226,255	710,825
F G I Equity LLC				
A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.				
Limited Liability Company				
Unit (B)	483,355 uts.	04/15/14	-	483,355
Limited Liability Company				
Unit Class B-1 (B)	394,737 uts.	12/15/10	394,737	655,286
Limited Liability Company				
Unit Class B-2 (B)	49,488 uts.	12/15/10	49,488	82,153
Limited Liability Company				
Unit Class B-3 (B)	39,130 uts.	08/30/12	90,000	74,626
Limited Liability Company				
Unit Class C (B)	9,449 uts.	12/20/10	96,056	139,325
			630,281	1,434,745
G C Holdings				

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

Warrant, exercisable until 2018,

to purchase

common stock at \$.01 per share

(B)	594 shs.	10/19/10	140,875	332,329
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GD Dental Services LLC

A provider of convenient "onestop" general, specialty, and cosmetic dental services with 21 offices located throughout South and Central Florida.

Limited Liability Company

Unit Common (B)	1,840 uts.	10/05/12	1,840	92,925
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Limited Liability Company

Unit Preferred (B)	182 uts.	10/05/12	182,209	202,394
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			184,049	295,319
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GenNx Novel Holding, Inc.

A manufacturer and distributor of nutraceutical ingredients.

13% Senior Subordinated Note

due 2020	\$ 3,193,916	03/27/14	3,134,041	3,211,336
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Common Stock (B)	315 shs.	03/27/14	315,000	282,112
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			3,449,041	3,493,448
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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
gloProfessional Holdings, Inc.				
A marketer and distributor of premium mineral-based cosmetics, cosmeceuticals and professional hair care products to the professional spa and physician's office channels.				
14% Senior Subordinated Note due 2019	\$ 2,799,521	03/27/13	\$ 2,754,865	\$ 2,808,759
Common Stock (B)	2,835 shs.	03/27/13	283,465	362,853
			3,038,330	3,171,612
Golden County Foods Holding, Inc.				
A manufacturer of frozen appetizers and snacks.				
14% Senior Subordinated Note due 2019 (D)	\$ 73,550	11/13/13	436,682	-
Preferred Stock (B)	287,658 shs.	11/13/13	146,658	-
Preferred Stock Series F (B)	147,100 shs.	11/13/13	1,746,726	-
			2,330,066	-
GTI Holding Company				
A designer, developer, and marketer of precision specialty hand tools and handheld test instruments.				
12% Senior Subordinated Note due 2020	\$ 1,455,729	02/05/14	1,360,527	1,462,570
Common Stock (B)	1,693 shs.	02/05/14	169,271	146,430
Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B)	795 shs.	02/05/14	73,633	68,761
			1,603,431	1,677,761
Handi Quilter Holding Company				
A designer and manufacturer of long-arm quilting machines and related components for the consumer quilting market.				
Common Stock (B)	115 shs.	11/14/11	115,385	393,731
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	83 shs.	11/14/11	76,788	281,880
			192,173	675,611
Hartland Controls Holding Corporation				
A manufacturer and distributor of electronic and electromechanical components.				
14% Senior Subordinated Note due 2019	\$ 2,211,488	02/14/14	2,170,722	2,277,530

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Preferred Stock Series A (B)	5,169 shs.	02/14/14	516,852	536,269
Common Stock (B)	1,666 shs.	02/14/14	1,667	129,010
			2,689,241	2,942,809
Healthcare Direct Holding Company				
A direct-to-consumer marketer of discount dental plans.				
14% Senior Subordinated Note due 2019 (D)	\$ 2,206,356	03/09/12	2,169,715	2,169,980
16% Senior Subordinated PIK Note due 2019	\$ 139,110	03/31/14	139,110	136,693
Common Stock (B)	1,552 shs.	03/09/12	155,172	176,706
			2,463,997	2,483,379

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
HHI Group, LLC				
A developer, marketer, and distributor of hobby-grade radio control products.				
14% Senior Subordinated Note due 2020	\$ 3,090,072	01/17/14	\$ 3,033,891	\$ 3,104,968
Limited Liability Company Unit (B)	203 uts.	01/17/14	203,125	167,249
			3,237,016	3,272,217
Hi-Rel Group LLC				
A manufacturer and distributor of precision metal piece parts for the microelectronic packaging industry, serving the aerospace/ defense, telecommunications, and medical end markets.				
12% Senior Subordinated Note due 2018	\$ 1,687,500	04/15/13	1,601,286	1,677,156
Limited Liability Company Unit (B)	563 uts.	04/15/13	562,500	231,181
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	89,224 shs.	04/15/13	77,625	34,921
			2,241,411	1,943,258
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.				
12% Senior Subordinated Note due 2016	\$ 2,075,581	08/19/08	2,020,551	2,064,553
Common Stock (B)	474 shs.	08/19/08	474,419	161,949
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	123 shs.	08/19/08	113,773	41,858
			2,608,743	2,268,360
HVAC Holdings, Inc.				

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A provider of integrated energy efficiency services and maintenance programs for HVAC systems.

14% Senior Subordinated Note due

2019	\$ 2,838,920	09/27/12	2,794,981	2,854,085
Preferred Stock Series A (B)	2,705 shs.	09/27/12	270,542	334,241
Common Stock (B)	2,185 shs.	09/27/12	2,185	5,155
			3,067,708	3,193,481

Ideal Tridon Holdings, Inc.

A designer and manufacturer of clamps and couplings used in automotive and industrial end markets.

Common Stock (B)	279 shs.	10/27/11	278,561	593,924
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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	615,666
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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
J A C Holding Enterprises, Inc.				
A supplier of luggage racks and accessories to the original equipment manufacturers.				
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	316,930	-
			816,930	-
Janus Group Holdings LLC				
A manufacturer of roll-up doors and hallway systems that are primarily used in self-storage facilities.				
13.5% Senior Subordinated Note due 2019	\$ 2,684,783	12/11/13	2,636,631	2,765,326
Limited Liability Company Unit Class A (B)	565 uts.	12/11/13	465,673	1,134,459
			3,102,304	3,899,785
JMH Investors LLC				
A developer and manufacturer of custom formulations for a wide variety of foods.				
14.25% Senior Subordinated Note due 2019	\$ 2,581,693	12/05/12	2,540,633	2,427,172
Limited Liability Company Unit (B)	521,739 uts.	12/05/12	521,739	235,761
			3,062,372	2,662,933
K & N Parent, Inc.				
A manufacturer and supplier of automotive aftermarket performance air filters and intake systems.				
Preferred Stock Series A (B)	305 shs.	12/23/11	-	-
Preferred Stock Series B (B)	86 shs.	12/23/11	-	-
Common Stock (B)	489 shs.	*	19,565	397,858
* 12/23/11 and 06/30/14.			19,565	397,858
K N B Holdings Corporation				
A designer, manufacturer and marketer of products for the custom framing market.				
Common Stock (B)	134,210 shs.	05/24/06	134,210	128,722
	82,357 shs.	05/25/06	71,534	78,989

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Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)			205,744	207,711
K P I Holdings, Inc.				
The largest player in the U.S. non-automotive, non-ferrous die casting segment.				
Convertible Preferred Stock Series C (B)	55 shs.	06/30/09	55,435	167,933
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	318,397
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	96 shs.	07/16/08	96,024	68,938
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	128 shs.	09/17/09	-	91,611
			619,413	720,289

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
LPC Holding Company				
A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets.				
Common Stock (B)	315 shs.	08/15/11	\$ 315,057	\$ 442,876
M V I Holding, Inc.				
A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets.				
Common Stock (B)	61 shs.	09/12/08	60,714	
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	66 shs.	09/12/08	65,571 126,285	- -
Mail Communications Group, Inc.				
A provider of mail processing and handling services, lettershop services, and commercial printing services.				
Limited Liability Company Unit (B)	24,109 uts.	*	314,464	334,387
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	3,375 shs.	05/04/07	43,031 357,495	46,811 381,198
* 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	\$ 1,259,914	01/15/10	1,170,579	1,259,914
15% Senior Subordinated Note due 2018	\$ 339,356	10/05/10	335,655	337,709
Common Stock (B)	106 shs.	10/05/10	106,200	248,995
Common Stock (B)	353 shs.	01/15/10	352,941	827,498
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	312 shs.	10/05/10	283,738 2,249,113	732,332 3,406,448
MedSystems Holdings LLC				
A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding.				
Preferred Unit (B)	126 uts.	08/29/08	125,519	158,333

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Common Unit Class A (B)	1,268 uts.	08/29/08	1,268	182,188
Common Unit Class B (B)	497 uts.	08/29/08	120,064	71,471
			246,851	411,992

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

2019 \$ 1,362,886 09/22/11 1,344,525 1,362,886

Limited Liability Company Unit

Series A 684 uts. 05/07/14 44,281 34,025

Limited Liability Company Unit

Series B (B) 467,833 uts. 09/22/11 467,833 449,616
1,856,639 1,846,527

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
MES Partners, Inc.				
An industrial service business offering an array of cleaning and environmental services to the Gulf Coast region of the U.S.				
12% Senior Subordinated Note due 2021	\$ 2,195,455	09/30/14	\$ 2,151,557	\$ 2,190,313
Common Stock Class B (B)	445,455 shs.	09/30/14	445,455	423,182
			2,597,012	2,613,495
MicroGroup, Inc.				
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.				
7% Senior Subordinated Note due 2014 (D)	\$ 1,705,152	*	1,635,166	-
Preferred Stock Series A (B)	980 shs.	10/10/12	942,054	-
Common Stock (B)	450 shs.	*	450,000	-
Common Stock Series B (B)	1,128 shs.	10/10/12	11	-
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	164 shs.	*	162,974	-
* 08/12/05 and 09/11/06.			3,190,205	-
MNX Holding Company				
An international third party logistics company providing customized logistics services to customers across the globe.				
14% Senior Subordinated Note due 2019	\$ 3,005,457	11/02/12	2,958,260	2,772,378
Common Stock (B)	107 shs.	11/02/12	107,143	-
			3,065,403	2,772,378
Motion Controls Holdings				
A manufacturer of high performance mechanical motion control and linkage products.				
14.25% Senior Subordinated Note due 2020	\$ 2,909,927	11/30/10	2,879,383	2,909,927
Limited Liability Company Unit Class B-1 (B)	225,000 uts.	11/30/10	-	239,753
Limited Liability Company Unit Class B-2 (B)	20,403 uts.	11/30/10	-	21,741
			2,879,383	3,171,421
NABCO, Inc.				

A producer of explosive
containment vessels in the United
States.

Common Stock (B)	809 shs.	12/20/12	578,174	-
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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
NetShape Technologies, Inc. A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications.				
14% Senior Subordinated Note due 2015	\$ 2,004,985	02/02/07	\$ 1,996,505	\$ 1,913,960
Limited Partnership Interest of Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D of	2.73% int.	02/01/07	1,110,810	-
Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-1 of	17 uts.	*	16,759	-
Saw Mill PCG Partners LLC (B) Limited Liability Company Unit Class D-2 of	229 uts.	09/30/09	228,858	27,266
Saw Mill PCG Partners LLC (B) * 12/18/08 and 09/30/09.	128 uts.	04/29/11	65,256 3,418,188	264,516 2,205,742
Newark Group, Inc. A major producer of paper products from recycled materials.				
Common Stock (B)	134,520 shs.	09/02/10	796,862	904,782
Nicoat Acquisitions LLC A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications.				
14% Senior Subordinated Note due 2018	\$ 1,460,374	11/05/10	1,384,352	1,460,374
Limited Liability Company Unit Series B (B)	51,724 uts.	11/05/10	51,724	104,224
Limited Liability Company Unit Series B (B)	104,792 uts.	11/05/10	104,792	211,156
Limited Liability Company Unit Series F (B)	104,792 uts.	11/05/10	- 1,540,868	26,093 1,801,847
Northwest Mailing Services, Inc. A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.				
Limited Partnership Interest (B)	3,287 uts.	*	328,679	271,890

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Warrant, exercisable until 2019,
to purchase
common stock at \$.01 per share

(B)	4,920 shs.	*	492,016	407,006
* 07/09/09 and 08/09/10.			820,695	678,896

O E C Holding Corporation

A provider of elevator maintenance, repair and modernization services.

13% Senior Subordinated Note

due 2018	\$ 1,333,333	06/04/10	1,267,890	1,333,333
Preferred Stock Series A (B)	1,661 shs.	06/04/10	166,062	74,411
Preferred Stock Series B (B)	934 shs.	06/04/10	93,376	-
Common Stock (B)	1,032 shs.	06/04/10	1,032	-
			1,528,360	1,407,744

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
P K C Holding Corporation				
A manufacturer of plastic film and badges for the general industrial, medical, and food industries.				
Preferred Stock Class A (B)	54 shs.	12/21/10	\$ 340,718	\$ 664,337
Common Stock (B)	54 shs.	12/21/10	25,500	342,549
			366,218	1,006,886
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	\$ 3,003,451	12/20/10	2,972,104	3,003,451
Limited Liability Company Unit Class A (B)	99 uts.	12/20/10	318,215	417,723
Limited Liability Company Unit Class B (B)	99 uts.	12/20/10	3,214	122,638
			3,293,533	3,543,812
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	863,226
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	863,226
Petroplex Inv Holdings LLC				
A leading provider of acidizing services to E&P customers in the Permian Basin.				
16% Senior Subordinated Note due 2018	\$ 2,827,161	11/29/12	2,777,361	2,947,628
Limited Liability Company Unit (B)	375,000 uts.	11/29/12	375,000	550,808
			3,152,361	3,498,436
Polytex Holdings LLC				
A manufacturer of water based inks and related products serving primarily the wall covering market.				
13% Senior Subordinated Note due 2020	\$ 2,106,900	07/31/14	2,065,728	2,101,299
Limited Liability Company Unit	300,485 uts.	07/31/14	300,485	285,461
			2,366,213	2,386,760
Precision Wire Holding Company				
A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical procedures.				

Warrant, exercisable until 2019,
to purchase
common stock at \$.01 per share
(B)

206 shs.

11/12/09

203,944

396,733

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

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.				
8% Senior Subordinated Note due 2017 Limited Liability Company Unit (B)	\$ 94,270	01/02/14	\$ 410,667	\$ 94,270
Limited Liability Company Unit Class B Common (B)	2,828 uts.	12/15/06	282,810	70,501
Limited Liability Company Unit Class B-1 Preferred (B)	10 uts.	01/02/14	414,787	103,401
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	18 uts.	01/02/14	707,024	707,022
	3 shs.	12/15/06	131,483	33,247
			1,946,771	1,008,441
REVSpring, Inc.				
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 2018	\$ 3,534,698	*	3,493,176	3,591,233
Limited Liability Company Unit Class A (B)	40,643 uts.	*	406,432	507,048
* 10/21/11 and 08/03/12.			3,899,608	4,098,281
Rose City Holding Company				
A designer and printer of folding cartons and packaging for food and beverage manufacturers on the West Coast.				
Preferred Stock (B)	93,749 shs.	12/11/12	93,749	109,502
Common Stock (B)	94 shs.	12/11/12	9	104,856
			93,758	214,358
Safety Infrastructure Solutions				
A provider of trench safety equipment to a diverse customer base across multiple end markets in Texas and the Southwestern United States.				
15% Senior Subordinated Note due 2018	\$ 2,531,250	*	2,504,320	2,556,563
Preferred Stock (B)	6,294 shs.	03/30/12	251,758	308,892
Common Stock (B)	2,949 shs.	03/30/12	29,492	138,461
* 03/30/12 and 05/16/13.			2,785,570	3,003,916
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.				

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7% Senior Subordinated Note due 2015 (D)	\$ 2,652,175	01/15/09	1,560,231	530,435
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Signature Systems Holdings
Company

A seller and installer of a variety of modular surfaces, industrial matting and related products used for ground protection.

12.5% Senior Subordinated Note due 2021	\$ 1,812,211	03/15/13	1,720,467	1,848,455
Common Stock (B)	181 shs.	03/15/13	181,221	397,176
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	74 shs.	03/15/13	67,958 1,969,646	162,250 2,407,881

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Date	Acquisition Cost	Fair Value
Smart Source Holdings LLC A short-term computer rental company.				
Limited Liability Company Unit (B)	619 uts.	*	\$ 493,496	\$ 870,764
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) * 08/31/07 and 03/06/08.	157 shs.	*	127,437 620,933	220,594 1,091,358
SMB Machinery Holdings, Inc. A reseller of used, rebuilt and refurbished packaging and processing equipment, primarily serving the bottling and food manufacturing industries.				
14% Senior Subordinated Note due 2019	\$ 1,484,775	10/18/13	1,458,786	1,432,846
Common Stock (B)	1,681 shs.	10/18/13	168,100 1,626,886	- 1,432,846
Spartan Foods Holding Company A manufacturer of branded pizza crusts and pancakes.				
14.25% Senior Subordinated Note due 2017	\$ 1,143,342	12/15/09	1,041,424	1,143,342
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	257 shs.	12/15/09	227,109 1,268,533	161,172 1,304,514
Specialty Commodities, Inc. A distributor of specialty food ingredients.				
Common Stock (B)	30 shs.	10/23/08	300,000	784,730
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	11 shs.	10/23/08	100,650 400,650	298,197 1,082,927
Stag Parkway Holding Company A distributor of RV parts and accessories in the United States.				

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13% Senior Subordinated Note due 2018	\$ 2,765,048	12/19/12	2,666,208	2,765,048
Common Stock (B)	284 shs.	12/19/12	283,688	366,376
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	83 shs.	12/19/12	76,435	107,592
			3,026,331	3,239,016

Strahman Holdings Inc

A manufacturer of industrial valves and wash down equipment for a variety of industries, including chemical, petrochemical, polymer, pharmaceutical, food processing, beverage and mining.

14% Senior Subordinated Note due 2019	\$ 2,119,565	12/13/13	2,080,157	2,164,892
Preferred Stock A (B)	317,935 shs.	12/13/13	317,935	247,189
			2,398,092	2,412,081

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Percentage Ownership	Acquisition Date	Cost	Fair Value
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 (D)	\$ 2,877,446	07/01/11	\$ 2,831,111	\$ -
Preferred Stock Series A (B)	228 shs.	07/01/11	228,137	-
			3,059,248	-
Sundance Investco LLC				
A provider of post-production services to producers of movies and television shows.				
Limited Liability Company Unit Class A (B)	6,429 uts.	03/31/10	-	-
Sunrise Windows Holding Company				
A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market.				
14% Senior Subordinated Note due 2017	\$ 3,115,670	12/14/10	3,015,645	3,114,083
14% Senior Subordinated PIK Note due 2017	\$ 287,707	08/17/12	280,401	287,560
Common Stock (B)	115 shs.	12/14/10	114,504	90,755
Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)	112 shs.	12/14/10	111,747	88,575
			3,522,297	3,580,973
Synteract Holdings Corporation				
A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.				
14% Senior Subordinated Note due 2019	\$ 3,831,567	09/02/08	3,724,890	3,455,679
Preferred Stock Series D (B)	485 shs.	02/27/13	48,503	-
Redeemable Preferred Stock Series A (B)	1,280 shs.	10/03/08	12,523	-
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	12,803 shs.	09/02/08	112,693	-
			3,898,609	3,455,679
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.				

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10% Senior Subordinated Note due 2016 (D)	\$ 613,982	*	16,334	613,982
Common Stock Class B	55 shs.	*	-	-
Limited Partnership Interest of Saw Mill Capital Fund V, LLC (B)	3.97% int.	**	114,424	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	72 shs.	04/28/06	59,041	-
* 04/28/06 and 09/13/06.			189,799	613,982
** 03/01/05 and 10/10/08.				

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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.				
3% Senior Subordinated Note due 2018 (D)	\$ 2,006,491	12/05/13	\$ -	\$ 1,906,167
15% Senior Subordinated Note due 2020(D)	\$ 88,396	12/05/13	414,051	-
Warrant, exercisable until 2023, to purchase common stock at \$.01 per share (B)	53,038 shs.	12/05/13	- 414,051	- 1,906,167
Transpac Holding Company				
A designer, importer and wholesaler of home décor and seasonal gift products.				
12% Senior Subordinated Note due 2015 (D)	\$ 1,773,006	10/31/07	1,717,521	-
Common Stock (B)	209 shs.	10/31/07	208,589	-
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	94 shs.	10/31/07	87,607 2,013,717	- -
Tranzonic Holdings LLC				
A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.				
14% Senior Subordinated Note due 2019	\$ 3,028,314	07/05/13	2,977,684	3,051,285
Limited Liability Company Unit Class A (B)	295,455 uts.	07/05/13	295,455 3,273,139	334,379 3,385,664
Truck Bodies & Equipment International				
A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, hoists, various forms of flat-bed bodies, landscape bodies and other accessories.				
12% Senior Subordinated Note due 2016	\$ 1,373,340		* 1,352,934	1,373,340
Preferred Stock Series B (B)	241 shs.	10/20/08	241,172	859,168

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Common Stock (B)	742 shs.	*	800,860	45,624
Warrant, exercisable until 2017, to purchase common stock at \$.02 per share (B)	153 shs.	*	159,894	9,423
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	1,054 shs.	10/20/08	-	64,798
* 07/19/05 and 12/22/05.			2,554,860	2,352,353
TruStile Doors, Inc.				
A manufacturer and distributor of interior doors.				
Limited Liability Company Unit (B)	11,775 uts.	02/28/11	156,250	438,051
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	5,781 shs.	04/11/03	68,059	59,967
			224,309	498,018

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
U-Line Corporation				
A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration appliances.				
Common Stock (B)	182 shs.	04/30/04	\$ 182,200	\$ 443,381
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	230 shs.	04/30/04	211,736 393,936	560,724 1,004,105
U M A Enterprises, Inc.				
An importer and wholesaler of home décor products.				
15% Senior Subordinated Note due 2021	\$ 2,335,922	06/06/14	639,157	2,379,370
Warrant, exercisable until 2024, to purchase common stock at \$.01 per share (B)	1,493 shs.	06/06/14	- 639,157	77,578 2,456,948
Vitex Packaging Group, Inc.				
A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags.				
Class B Unit (B)	767,881 uts.	10/29/09	348,058	-
Class C Unit (B)	850,000 uts.	10/29/09	780,572	149,076
Limited Liability Company Unit Class A (B)	723,465 uts.	*	433,222	-
Limited Liability Company Unit Class B (B)	182,935 uts.	07/19/04	182,935	-
* 07/19/04 and 10/29/09.			1,744,787	149,076
VP Holding Company				
A provider of school transportation services for special-needs and homeless children in Massachusetts.				
13% Senior Subordinated Note due 2020	\$ 1,018,230	03/31/14	999,114	1,045,597
Common Stock (B)	7,368 shs.	03/31/14	736,842 1,735,956	645,888 1,691,485
Wellborn Forest Holding Company				
A manufacturer of semi-custom kitchen and bath cabinetry.				
	\$ 3,175,092	11/30/06	1,638,669	-

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8% Senior Subordinated Note due 2017 (D)				
Common Stock (B)	191 shs.	11/30/06	191,250	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share				
(B)	95 shs.	11/30/06	86,493	-
			1,916,412	-
Wheaton Holding Corporation				
A distributor and manufacturer of laboratory supply products and packaging.				
Preferred Stock Series B (B)	2,109 shs.	06/08/10	210,924	311,373
Common Stock (B)	1,058 shs.	06/08/10	1,058	152,651
			211,982	464,024

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014
(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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	\$ 2,256,155	\$ 2,369,590
Common Stock (B)	616 shs.	12/16/10	616,438	240,486
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	166 shs.	12/16/10	148,003	64,619
			3,020,596	2,674,695
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	\$ 2,741,894	11/03/11	2,705,993	2,796,732
Common Stock (B)	4,500 shs.	11/03/11	450,000	602,597
			3,155,993	3,399,329
Total Private Placement Investments (E)			\$ 190,152,858	\$ 191,847,957

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Rule 144A Securities - 17.81%:					
Bonds - 17.76%					
Alliant Techsystems Inc.	5.250	% 10/01/21	\$ 1,000,000	\$ 1,000,000	\$ 1,002,500
Altice S.A.	7.750	05/15/22	1,000,000	1,000,000	1,032,500
American Energy - Permian Basin, LLC	7.375	11/01/21	660,000	660,000	603,900
American Energy - Permian Basin, LLC	6.737	08/01/19	305,000	302,058	279,456
American Energy - Woodford Holdings, LLC	9.000	09/15/22	1,000,000	959,154	927,500
Amsted Industries	5.375	09/15/24	520,000	520,000	504,400
Ashtead Group plc	6.500	07/15/22	385,000	406,389	408,100
Belden Inc.	5.250	07/15/24	410,000	410,000	392,575
Beverage Packaging Holdings	6.000	06/15/17	730,000	730,000	719,050
California Resources Corporation	6.000	11/15/24	970,000	970,000	996,675
CITGO Petroleum Corporation	6.250	08/15/22	925,000	925,000	962,000
Commscope Holdings Inc.	6.625	06/01/20	500,000	501,081	515,000
Cornerstone Chemical Company	9.375	03/15/18	750,000	765,236	787,500
CTP Transportation Products, LLC	8.250	12/15/19	635,000	635,000	677,862
Endo Finance LLC	5.375	01/31/23	1,000,000	980,261	955,000
Exopack LLC	7.875	11/01/19	1,000,000	1,000,000	1,045,000
Forest Laboratories, Inc.	4.875	02/15/21	1,000,000	1,000,000	1,066,780
Forest Laboratories, Inc.	5.000	12/15/21	775,000	775,000	828,386
Hercules Offshore, Inc.	7.500	10/01/21	1,000,000	1,000,000	805,000
Hilcorp Energy Company	5.000	12/01/24	500,000	500,000	481,250
Hilcorp Energy Company	7.625	04/15/21	725,000	700,010	763,062
Hilton Worldwide Holdings, Inc.	5.625	10/15/21	1,000,000	1,000,000	1,030,000
Hovnanian Enterprises, Inc.	7.250	10/15/20	1,000,000	1,000,000	1,047,500
Hub International Ltd.	7.875	10/01/21	1,000,000	1,000,000	1,023,750
INEOS Group Holdings PLC	5.875	02/01/19	485,000	485,000	477,725
International Automotive Component	9.125	06/01/18	1,000,000	962,589	1,055,000
J.B. Poindexter Co., Inc.	9.000	04/01/22	1,000,000	1,047,868	1,073,750
JBS USA Holdings, Inc.	7.750	10/28/20	750,000	787,716	796,875
Jupiter Resources Inc.	8.500	10/01/22	1,000,000	952,412	887,500
Jurassic Holdings III Inc	6.875	02/15/21	1,000,000	1,009,022	1,000,000
Lamar Media Corporation	5.375	01/15/24	320,000	320,000	320,800
LBC Tank Terminals Holding					
Netherlands B.V.	6.875	05/15/23	1,315,000	1,354,071	1,400,475
Mallinckrodt PLC	5.750	08/01/22	1,000,000	1,000,000	1,007,500
MEG Energy Corporation	7.000	03/31/24	1,000,000	1,000,000	1,035,000

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Memorial Production Partners L.P	6.875	08/01/22	1,000,000	984,495	955,000
Milacron Financial	7.750	02/15/21	500,000	500,000	526,250

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost	Market Value
Murray Energy Corporation	9.500	% 12/05/20	\$ 1,000,000	\$ 1,098,770	\$ 1,100,000
Mustang Merger Corporation	8.500	08/15/21	1,000,000	997,712	1,035,000
Niska Gas Storage Partners LLC	6.500	04/01/19	1,000,000	1,000,000	875,000
NRG Energy, Inc.	6.250	07/15/22	1,000,000	1,000,000	1,025,625
NXP BV/NXP Funding LLC	3.750	06/01/18	1,500,000	1,500,000	1,473,750
Paperworks Industries, Inc.	9.500	08/15/19	1,000,000	1,023,225	1,017,500
Pinnacle Operating Corporation	9.000	11/15/20	1,000,000	1,042,746	1,067,500
Ply Gem Industries, Inc.	6.500	02/01/22	1,000,000	932,730	950,000
Prestige Brands Holdings, Inc.	5.375	12/15/21	1,350,000	1,350,000	1,269,000
RKI Inc.	8.500	08/01/21	1,000,000	1,004,466	1,032,500
Roofing Supply	10.000	06/01/20	975,000	1,089,945	1,023,750
Safway Group Holding LLC/Finance Corporation	7.000	05/15/18	500,000	500,000	508,750
Sirius XM Radio Inc.	5.875	10/01/20	750,000	750,000	759,375
Sprint Corporation	7.125	06/15/24	315,000	315,000	317,363
Teine Energy Ltd.	6.875	09/30/22	900,000	892,840	883,125
Topaz Marine S.A.	8.625	11/01/18	1,000,000	1,000,000	1,035,200
Univision Communications, Inc.	5.125	05/15/23	325,000	325,000	329,063
Valeant Pharmaceuticals International	6.750	10/01/17	70,000	69,811	72,289
Valeant Pharmaceuticals International	7.000	10/01/20	880,000	881,385	919,600
Watco Companies, L.L.C.	6.375	04/01/23	1,000,000	1,000,000	1,005,000
Welltec A/S	8.000	02/01/19	750,000	739,347	776,250
West Corporation	5.375	07/15/22	1,000,000	980,343	922,500
William Lyon Homes	7.000	08/15/22	1,000,000	1,000,000	1,012,500
Woodside Homes Company, LLC	6.750	12/15/21	1,000,000	1,002,383	990,000
XPO Logistics, Inc.	7.875	09/01/19	465,000	465,000	480,113
Total Bonds				51,103,065	51,271,374
Convertible Preferred Stock - 0.00%					
ETEX Corporation (B)			777	-	-
Total Convertible Preferred Stock				-	-
Preferred Stock - 0.05%					
Ally Financial, Inc.			143	45,009	143,134
TherOX, Inc. (B)			103	-	-
Total Preferred Stock				45,009	143,134
Common Stock - 0.00%					
Touchstone Health Partnership (B)			1,168	-	-

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Total Common Stock	-	-
Total 144A Securities	51,148,074	51,414,508
Total Corporate Restricted Securities	\$ 241,300,932	\$ 243,262,465

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Public Securities -20.43%: (A)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Bank Loans - 1.00%					
American Energy - Marcellus, LLC	8.500	% 07/09/21	\$ 423,825	\$ 417,593	\$ 419,587
Aquilex Holdings LLC	5.250	12/31/20	295,687	295,021	292,236
Caelus Energy Alaska, LLC	8.750	04/15/20	1,000,000	990,294	985,000
Synarc-BioCore Holdings, LLC	9.250	03/04/22	1,000,000	990,658	975,000
Triple Point Technology, Inc.	9.250	07/09/21	259,223	226,264	222,932
Total Bank Loans				2,919,830	2,894,755
Bonds - 19.07%					
AAAR Corporation	7.250	% 01/15/22	\$ 2,000,000	\$ 2,108,071	\$ 2,150,000
Accuride Corp.	9.500	08/01/18	1,500,000	1,529,587	1,563,750
ADT Corporation	6.250	10/15/21	1,000,000	1,034,430	1,035,000
Ally Financial, Inc.	5.500	02/15/17	1,500,000	1,518,241	1,560,000
Alta Mesa Financial Services	9.625	10/15/18	1,500,000	1,501,024	1,552,500
American Axle & Manufacturing, Inc.	5.125	02/15/19	240,000	240,000	238,800
Anixter, Inc.	5.125	10/01/21	421,000	421,000	415,737
Antero Resources Corporation	5.375	11/01/21	800,000	800,000	796,000
Arch Coal, Inc.	7.000	06/15/19	150,000	150,000	79,875
Avis Budget Car Rental	9.750	03/15/20	750,000	750,000	825,000
B E Aerospace, Inc.	6.875	10/01/20	850,000	865,703	907,375
Bonanza Creek Energy, Inc.	5.750	02/01/23	1,000,000	1,000,000	960,000
Braskem Finance Ltd.	6.450	02/03/24	815,000	815,000	847,600
Calpine Corporation	5.750	01/15/25	700,000	700,000	679,875
Calumet Specialty Products Partners L.P.	7.625	01/15/22	1,000,000	1,006,830	1,015,000
CCO Holdings Capital Corporation	7.250	10/30/17	750,000	760,870	777,187
Cimarex Energy Co.	5.875	05/01/22	1,000,000	1,070,197	1,075,000
CIT Group Inc.	3.875	02/19/19	1,000,000	1,000,000	982,500
CHC Helicopter SA	9.375	06/01/21	1,500,000	1,500,000	1,582,500
Chemtura Corporation	7.875	09/01/18	500,000	519,442	520,000
Chrysler Group, LLC	8.000	06/15/19	415,000	445,637	440,419
Chrysler Group, LLC	8.250	06/15/21	415,000	455,489	452,350
Clearwater Paper Corporation	4.500	02/01/23	750,000	743,431	716,250
Coeur d'Alene Mines Corporation	7.875	02/01/21	1,000,000	1,003,295	937,500
Commercial Metals Company	4.875	05/15/23	1,500,000	1,502,804	1,440,000
Commercial Vehicle Group Inc.	7.875	04/15/19	989,000	1,013,769	1,011,252
CVR Refining LLC	6.500	11/01/22	650,000	629,236	663,000
First Data Corporation	11.750	08/15/21	650,000	650,000	752,375
Haicon Resources Corporation	9.750	07/15/20	1,000,000	1,046,349	1,017,500
Headwaters, Inc.	7.625	04/01/19	850,000	850,156	886,125

Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Corporate Public Securities: (A) (Continued)	Interest Rate	Due Date	Principal Amount	Cost	Market Value
Ferrellgas Partners, L.P	6.750	% 01/15/22	\$ 465,000	\$ 465,000	\$ 453,375
Forum Energy Technologies	6.250	10/01/21	325,000	325,000	333,938
HCA Holdings, Inc.	3.750	03/15/19	1,000,000	1,000,000	977,500
Hornbeck Offshore Services, Inc.	5.000	03/01/21	500,000	500,000	475,000
Huntington Ingalls Industries	7.125	03/15/21	750,000	773,539	808,125
Icahn Enterprises L.P.	4.875	03/15/19	970,000	970,000	955,450
Icahn Enterprises L.P.	6.000	08/01/20	1,150,000	1,170,906	1,181,625
Lear Corporation	4.750	01/15/23	750,000	736,378	740,625
Lennar Corporation	4.750	11/15/22	750,000	739,837	725,625
Linn Energy, LLC	8.625	04/15/20	1,000,000	1,008,668	1,033,750
Magnum Hunter Resources, Corp.	9.750	05/15/20	1,500,000	1,563,660	1,586,250
Meritor, Inc.	6.750	06/15/21	1,000,000	1,000,000	1,040,000
Meritor, Inc.	7.875	03/01/26	669,000	663,403	967,123
Midstates Petroleum Company, Inc.	9.250	06/01/21	1,000,000	1,000,000	985,000
Nexeo Solutions LLC	8.375	03/01/18	40,000	40,000	39,600
Nielsen Finance LLC	4.500	10/01/20	1,000,000	1,000,000	967,500
Oasis Petroleum Inc.	6.875	03/15/22	1,000,000	1,000,000	1,055,000
Omnova Solutions, Inc.	7.875	11/01/18	1,500,000	1,520,832	1,526,250
Perry Ellis International, Inc.	7.875	04/01/19	750,000	744,535	757,500
Precision Drilling Corporation	6.625	11/15/20	750,000	768,319	778,125
Regency Energy Partners LP	5.875	03/01/22	835,000	822,085	868,400
Rosetta Resources Inc.	5.875	06/01/22	1,000,000	1,000,000	996,250
Samson Investment Company	9.750	02/15/20	1,000,000	1,026,978	907,500
Select Medical Corporation	6.375	06/01/21	650,000	659,135	650,000
Stone Energy Corporation	7.500	11/15/22	1,000,000	1,027,899	1,030,300
Tesoro Logistics LP	5.875	10/01/20	783,000	798,866	810,405
T-Mobile USA Inc.	6.375	03/01/25	1,000,000	1,000,000	997,500
Tronox Finance LLC	6.375	08/15/20	750,000	734,356	752,813
Unit Corporation	6.625	05/15/21	1,000,000	989,919	1,002,500
WPX Energy, Inc.	5.250	09/15/24	925,000	925,000	897,250
Xerium Technologies, Inc.	8.875	06/15/18	831,000	865,149	876,705
Total Bonds				54,470,025	55,057,454

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

						Market
			Shares	Cost		Value
Corporate Public Securities: (A)						
(Continued)						
Common Stock - 0.36%						
Chase Packaging Corporation			9,541	\$ -		\$ 763
Nortek, Inc.			175	1		13,037
Supreme Industries, Inc. (B)			131,371	267,319		1,026,008
Total Common Stock				267,320		1,039,808
Total Corporate Public Securities				\$ 57,667,175	\$	58,992,017
Short Term Securities:	Interest	Due	Principal	Cost		Market
Commercial Paper - 1.52%	Rate/Yield^	Date	Amount			Value
Ameren Corporation	0.260	% 10/10/14	\$ 2,800,000	\$ 2,799,804	\$	2,799,804
Ameren Corporation	0.260	% 10/07/14	1,600,000	1,599,941		1,599,941
Total Short-Term Securities				\$ 4,399,745	\$	4,399,745
Total Investments	106.21	%		\$ 303,357,852	\$	306,654,227
Other Assets	5.39					15,575,951
Liabilities	(11.61)				(33,507,594)
Total Net Assets	100.00	%			\$	288,722,584

(A) In each of the convertible note, warrant, convertible preferred and common stock investments, the issuer has agreed to provide certain registration rights.

(B) Non-income producing security.

(C) Variable rate security; rate indicated is as of September 30, 2014.

(D) Defaulted security; interest not accrued.

(E) Illiquid securities. As of September 30, 2014, the value of these securities amounted to \$191,847,957, or 66.45% of net assets.

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

^

Effective yield at purchase

PIK - Payment-in-kind

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Industry Classification:	Fair Value/ Market Value		Fair Value/ Market Value
AEROSPACE - 2.97%		BUILDINGS & REAL ESTATE - 3.52%	
AAR Corporation	\$ 2,150,000	ACP Cascade Holdings LLC	\$ -
Alliant Techsystems Inc.	1,002,500	Hovnanian Enterprises, Inc.	1,047,500
B E Aerospace, Inc.	907,375	Lennar Corporation	725,625
Merex Holding Corporation	1,846,527	Pearlman Enterprises, Inc.	863,226
Whitcraft Holdings, Inc.	2,674,695	Ply Gem Industries, Inc.	950,000
		Safway Group Holding LLC/Finance Corporation	508,750
	8,581,097	Sunrise Windows Holding Company	3,580,973
AUTOMOBILE - 6.00%		TruStile Doors, Inc.	498,018
Accuride Corp	1,563,750	William Lyon Homes Woodside Homes Company, LLC	1,012,500
American Axle & Manufacturing, Inc.	238,800		990,000
Avis Budget Car Rental	825,000		10,176,592
CG Holdings Manufacturing Company	3,924,314	CHEMICAL, PLASTICS & RUBBER - 3.22%	
Chrysler Group, LLC	892,769	Capital Specialty Plastics, Inc.	1,575,000
Commercial Vehicle Group Inc.	1,011,252	Cornerstone Chemical Company	787,500
DPL Holding Corporation	4,064,687	INEOS Group Holdings PLC	477,725
Ideal Tridon Holdings, Inc.	593,924	Nicoat Acquisitions LLC	1,801,847
International Automotive Component	1,055,000	Omnova Solutions, Inc.	1,526,250
J A C Holding Enterprises, Inc.	-	Polytex Holdings LLC	2,386,760
K & N Parent, Inc.	397,858	Tronox Finance LLC	752,813
Lear Corporation	740,625		9,307,895
Meritor, Inc.	2,007,123	CONSUMER PRODUCTS - 10.09%	
	17,315,102	AMS Holding LLC	622,137
BEVERAGE, DRUG & FOOD - 6.55%		Baby Jogger Holdings LLC	3,253,324
1492 Acquisition LLC	1,906,233	Bravo Sports Holding Corporation	2,514,937
Eatem Holding Company	3,630,140	Clearwater Paper Corporation	716,250
F F C Holding Corporation	710,825	Custom Engineered Wheels, Inc.	830,193
GenNx Novel Holding, Inc.	3,493,448		

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Golden County Foods Holding, Inc.	-	gloProfessional Holdings, Inc.	3,171,612
Hospitality Mints Holding Company	2,268,360	GTI Holding Company	1,677,761
JBS USA Holdings, Inc.	796,875	Handi Quilter Holding Company	675,611
JMH Investors LLC	2,662,933	HHI Group, LLC	3,272,217
Pinnacle Operating Corporation	1,067,500	K N B Holdings Corporation	207,711
Spartan Foods Holding Company	1,304,514	Manhattan Beachwear Holding Company	3,406,448
Specialty Commodities, Inc.	1,082,927	NXP BV/NXP Funding LLC	1,473,750
	18,923,755	Perry Ellis International, Inc.	757,500
BROADCASTING & ENTERTAINMENT - 0.11%		Prestige Brands Holdings, Inc.	1,269,000
HOP Entertainment LLC	-	R A J Manufacturing Holdings LLC	1,008,441
Lamar Media Corporation	320,800	Tranzonic Holdings LLC	3,385,664
Sundance Investco LLC	-	Xerium Technologies, Inc.	876,705
	320,800		29,119,261

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value	
CONTAINERS, PACKAGING & GLASS - 2.80%		DIVERSIFIED/CONGLOMERATE, SERVICE - 8.01%	
Beverage Packaging Holdings	\$ 719,050	A S C Group, Inc.	\$ 2,705,974
Chase Packaging Corporation	763	A W X Holdings Corporation	367,500
Paperworks Industries, Inc.	1,017,500	ADT Corporation	1,035,000
P K C Holding Corporation	1,006,886	Advanced Technologies Holdings	1,164,928
P P T Holdings LLC	3,543,812	Church Services Holding Company	1,490,324
Rose City Holding Company	214,358	Clough, Harbour and Associates	400,114
SMB Machinery Holdings, Inc.	1,432,846	Crane Rental Corporation	2,154,287
Vitex Packaging Group, Inc.	149,076	ELT Holding Company	649,688
	8,084,291	EPM Holding Company	1,408,644
DISTRIBUTION - 6.35%		Hilton Worldwide Holdings, Inc.	1,030,000
ARI Holding Corporation	4,127,645	Hub International Ltd.	1,023,750
Blue Wave Products, Inc.	1,719,729	HVAC Holdings, Inc.	3,193,481
BP SCI LLC	3,440,590	Insurance Claims Management, Inc.	615,666
Signature Systems Holdings Company	2,407,881	Mail Communications Group, Inc.	381,198
Stag Parkway Holding Company	3,239,016	Nexeo Solutions LLC	39,600
WP Supply Holding Corporation	3,399,329	Northwest Mailing Services, Inc.	678,896
	18,334,190	Roofing Supply	1,023,750
DIVERSIFIED/CONGLOMERATE, MANUFACTURING - 9.13%		Safety Infrastructure Solutions	3,003,916
A H C Holding Company, Inc.	506,376	Sirius XM Radio Inc.	759,375
Advanced Manufacturing Enterprises LLC	3,033,338		23,126,091
Amsted Industries	504,400	ELECTRONICS - 0.84%	
Arrow Tru-Line Holdings, Inc.	569,129	Anixter, Inc.	415,737
C D N T, Inc.	1,059,676	Belden, Inc.	392,575
CTP Transportation Products, LLC	677,862	Connecticut Electric, Inc.	1,617,095
F G I Equity LLC	1,434,745		2,425,407
G C Holdings	332,329	FINANCIAL SERVICES - 5.23%	
Hartland Controls Holding Corporation	2,942,809	Ally Financial, Inc.	1,703,134
Hi-Rel Group LLC	1,943,258	Alta Mesa Financial Services	1,552,500
Janus Group Holdings LLC	3,899,785	Ashtead Group plc	408,100
J.B. Poindexter Co., Inc.	1,073,750	Braskem Finance Ltd.	847,600
K P I Holdings, Inc.	720,289	CIT Group Inc.	982,500
LPC Holding Company	442,876	Icahn Enterprises L.P.	2,137,075
		Jurassic Holdings III Inc	1,000,000
Mustang Merger Corporation	1,035,000	LBC Tank Terminals Holding	
Nortek, Inc.	13,037	Netherlands B.V.	1,400,475
O E C Holding Corporation	1,407,744	Nielsen Finance LLC	967,500
Strahman Holdings Inc	2,412,081	REVSpring, Inc.	4,098,281
			15,097,165

Truck Bodies & Equipment	
International	2,352,353
	26,360,837

See Notes to Consolidated Financial Statements

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Babson Capital Corporate Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value	Fair Value/ Market Value
HEALTHCARE, EDUCATION & CHILDCARE -		
5.88%		\$ 1,007,500
American Hospice Management Holding LLC \$ CHG Alternative Education Holding Company	2,408,303	411,992
	3,183,024	-
ERG Holding Company LLC	2,072,022	396,733
GD Dental Services LLC	295,319	-
Healthcare Direct Holding Company	2,483,379	3,353,725
HCA Holdings, Inc.	977,500	
Select Medical Corporation	650,000	
Strata/WLA Holding Corporation	-	937,500
Synarc-BioCore Holdings, LLC	975,000	1,440,000
Synteract Holdings Corporation	3,455,679	1,100,000
Touchstone Health Partnership	-	3,477,500
Wheaton Holding Corporation	464,024	
	16,964,250	
MINING, STEEL, IRON & NON-PRECIOUS METALS -		
1.20%		
Coeur d'Alene Mines Corporation		937,500
Commercial Metals Company		1,440,000
Murray Energy Corporation		1,100,000
		3,477,500
NATURAL RESOURCES - 0.68%		
Arch Coal, Inc.		79,875
Caelus Energy Alaska, LLC		985,000
Headwaters, Inc.		886,125
Connor Sport Court International, Inc.	2,423,640	1,951,000
Transpac Holding Company	-	
U M A Enterprises, Inc.	2,456,948	
HOME & OFFICE FURNISHINGS, HOUSEWARES & DURABLE CONSUMER PRODUCTS - 2.04%		
U-Line Corporation	1,004,105	419,587
Wellborn Forest Holding Company	-	603,900
	5,884,693	279,456
		927,500
OIL & GAS - 11.99%		
American Energy - Marcellus, LLC		419,587
American Energy – Permian Basin, LLC		603,900
American Energy – Permian Basin, LLC		279,456
		927,500

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LEISURE, AMUSEMENT & ENTERTAINMENT - 1.12%		American Energy - Woodford Holdings, LLC	
CTM Holding, Inc.	3,230,290	Antero Resources Corporation	796,000
		Avantech Testing Services LLC	1,717,050
MACHINERY - 5.09%		Bonanza Creek Energy, Inc.	960,000
ABC Industries, Inc.	1,788,826	California Resources Corporation	996,675
Arch Global Precision LLC	4,724,459	Calumet Specialty Products Partners L.P.	1,015,000
E S P Holdco, Inc.	468,866	Cimarex Energy Co. CITGO Petroleum Corporation	1,075,000
Milacron Financial	526,250		962,000
Motion Controls Holdings	3,171,421	CVR Refining LLC	663,000
M V I Holding, Inc.	-	Exopack LLC	1,045,000
		Forum Energy Technologies	333,938
NetShape Technologies, Inc.	2,205,742	Hercules Offshore, Inc.	805,000
Supreme Industries, Inc.	1,026,008	Hilcorp Energy Company Hornbeck Offshore Services, Inc.	1,244,312
Welltec A/S	776,250		475,000
	14,687,822	Jupiter Resources Inc.	887,500
MEDICAL DEVICES/BIOTECH - 1.16%		Linn Energy, LLC	1,033,750
Chemtura Corporation	520,000	Magnum Hunter Resources, Corp.	1,586,250
ETEX Corporation	-		
Halcón Resources Corporation	1,017,500	MEG Energy Corporation Memorial Production Partners L.P.	1,035,000
			955,000

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2014

(Unaudited)

Industry Classification: (Continued)	Fair Value/ Market Value		Fair Value/ Market Value
Midstates Petroleum Company, Inc.	\$ 985,000	TELECOMMUNICATIONS - 1.85%	
Niska Gas Storage Partners LLC	875,000	All Current Holding Company	\$ 463,486
Oasis Petroleum Inc.	1,055,000	Altice S.A.	1,032,500
Petroplex Inv Holdings LLC	3,498,436	CCO Holdings Capital Corporation	777,187
Precision Drilling Corporation	778,125	Commscope Holdings Inc.	515,000
Regency Energy Partners LP	868,400	Sprint Corporation	317,363
RKI Inc.	1,032,500	T-Mobile USA Inc.	997,500
Rosetta Resources Inc.	996,250	Univision Communications, Inc.	329,063
Samson Investment Company	907,500	West Corporation	922,500
Stone Energy Corporation	1,030,300		5,354,599
Teine Energy Ltd.	883,125	TRANSPORTATION - 3.53%	
Unit Corporation	1,002,500	CHC Helicopter SA	1,582,500
WPX Energy, Inc.	897,250	MNX Holding Company	2,772,378
	34,625,304	Huntington Ingalls Industries	808,125
PHARMACEUTICALS - 1.48%		NABCO, Inc.	-
CorePharma LLC	438,918	Tesoro Logistics LP	810,405
Endo Finance LLC	955,000	Topaz Marine S.A.	1,035,200
Forest Laboratories, Inc.	1,895,166	VP Holding Company	1,691,485
Valeant Pharmaceuticals International	991,889	Watco Companies, L.L.C.	1,005,000
	4,280,973	XPO Logistics, Inc.	480,113
PUBLISHING/PRINTING - 0.31%			10,185,206
Newark Group, Inc.	904,782	UTILITIES - 2.11%	
		Ameren Corporation	4,399,745
RETAIL STORES - 0.16%		Calpine Corporation	679,875
Ferrellgas Partners, L.P	453,375	NRG Energy, Inc.	1,025,625
			6,105,245
		WASTE	
TECHNOLOGY - 0.90%		MANAGEMENT/POLLUTION -	
First Data Corporation	752,375	1.88%	
Sencore Holding Company	530,435	Aquilex Holdings LLC	292,236
Smart Source Holdings LLC	1,091,358	MES Partners, Inc.	2,613,495
Triple Point Technology, Inc.	222,932	Terra Renewal LLC	613,982
	2,597,100	Torrent Group Holdings, Inc.	1,906,167
			5,425,880
		Total Investments - 106.21%	\$ 306,654,227

See Notes to Consolidated Financial Statements

Fair Values Hierarchy

The Trust categorizes its investments measured at fair value in three levels, based on the inputs and assumptions used to determine fair value. These levels are as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Trust’s own assumptions in determining the fair value of investments)

The following is a summary of the inputs used to value the Trust’s net assets as of September 30, 2014:

Assets	Total	Level 1	Level 2	Level 3
Restricted Securities				
Corporate Bonds	188,764,703	-	51,271,374	137,493,329
Common Stock - U.S.	23,009,754	-	-	23,009,754
Preferred Stock	11,506,891	-	143,134	11,363,757
Partnerships and LLCs	19,981,117	-	-	19,981,117
Public Securities				
Bank Loans	2,894,755	-	2,894,755	-
Corporate Bonds	55,057,454	-	55,057,454	-
Common Stock - U.S.	1,039,808	1,039,808	-	-
Preferred Stock	-	-	-	-
Short-term Securities	4,399,745	-	4,399,745	-
Total	\$ 306,654,227	\$ 1,039,808	\$ 113,766,462	\$ 191,847,957

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

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

Assets	Beginning balance at 12/31/2013	Included in			Prepayments	Transfers in and /or out of Level 3	Ending balance at 09/30/2014
		earnings	Purchases	Sales			
Restricted Securities							
Corporate Bonds	\$136,364,924	\$5,594,086	\$22,195,861	\$(8,442,845)	\$(18,218,697)	\$-	\$137,493,329
	23,299,991	5,185,137	1,977,907	(7,453,281)	-	-	23,009,754

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Common Stock - U.S. Preferred Stock	14,778,114	574,637	(241,967)	(3,747,027)	-	-	11,363,757
Partnerships and LLCs	21,275,734	403,243	3,521,006	(4,948,866)	-	-	19,981,117
Public Securities	-	-	-	-	-	-	-
Common Stock	\$195,718,763	\$11,757,103	\$27,182,807	\$(24,592,019)	\$(18,218,697)	\$-	\$191,847,957

ITEM 2. CONTROLS AND PROCEDURES.

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

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

ITEM 3. EXHIBITS.

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

SIGNATURES

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

(Registrant) Babson Capital Corporate Investors

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date November 25, 2014

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

By (Signature and Title)*

/s/ Michael L. Klofas

Michael L. Klofas, President

Date November 25, 2014

By (Signature and Title)*

/s/ James M. Roy

James M. Roy, Vice President and
Chief Financial Officer

Date November 25, 2014

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