

MASSMUTUAL PARTICIPATION INVESTORS  
Form N-CSRS  
September 08, 2011

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-5531

MassMutual Participation Investors

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(Exact name of registrant as specified in charter)

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

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(Address of principal executive offices) (Zip code)

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

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(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: 6/30/11

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

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the

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burden to Secretary, Securities and Exchange Commission, 110 F Street NE, Washington, DC 20549. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORT TO STOCKHOLDERS.

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

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#### Adviser

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

#### Transfer Agent & Registrar

Shareholder Financial Services, Inc.\*  
P.O. Box 173673  
Denver, Colorado 80217-3673  
1-800-647-7374

#### Independent Registered Public Accounting Firm

KPMG LLP  
Boston, Massachusetts 02110

#### Internet Website

[www.babsoncapital.com/mpv](http://www.babsoncapital.com/mpv)

#### Counsel to the Trust

Ropes & Gray LLP  
Boston, Massachusetts 02110

MassMutual Participation Investors  
c/o Babson Capital Management LLC  
1500 Main Street, Suite 2200  
Springfield, Massachusetts 01115  
(413) 226-1516

#### Custodian

State Street Bank and Trust Company  
Boston, MA 02116

\*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

#### Form N-Q

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

#### Proxy Voting Policies & Procedures; Proxy Voting Record

The Trustees of the Trust have delegated proxy voting responsibilities relating to the voting of securities held by the Trust to Babson Capital. A description of Babson Capital’s proxy voting policies and procedures is available (1) without charge, upon request, by calling, toll-free 866-399-1516; (2) on the Trust’s website: <http://www.babsoncapital.com/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>.

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.

TO OUR SHAREHOLDERS

MassMutual Participation Investors

July 31, 2011

We are pleased to present the June 30, 2011 Quarterly Report of MassMutual Participation Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of 27 cents per share, payable on August 12, 2011 to shareholders of record on August 1, 2011. The Trust paid a 27 cent per share dividend for the preceding quarter. The Trust earned 34 cents per share of net investment income for the second quarter of 2011, of which approximately 7 cents per share represented income due to nonrecurring items, compared to 32 cents per share in the previous quarter, of which approximately 5 cents per share represented income due to nonrecurring items.

During the second quarter, the net assets of the Trust increased to \$126,256,640 or \$12.52 per share compared to \$123,978,396 or \$12.32 per share on March 31, 2011. This translates into a 3.9% 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 18.9%, 8.7%, 8.7%, and 13.0% 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 0.9% during the quarter, from \$14.80 per share as of March 31, 2011 to \$14.94 per share as of June 30, 2011. The Trust's market price of \$14.94 per share equates to a 19.3% premium over the June 30, 2011 net asset value per share of \$12.52. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 5.1%, 7.1% and 8.5%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, decreased 1.6% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 1.1% for the quarter.

The Trust closed three add-on investments during the second quarter. The three add-on investments were in KNB Holdings Corporation, NetShape Technologies, Inc. and NT Holding Company. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these three transactions was \$292,000.

Middle market buyout activity continued at a lackluster pace in the second quarter of 2011. In fact, activity levels in the second quarter were even lower than they were in the first quarter of the year. A real supply/demand imbalance has developed in the market – there is a shortage of quality deal flow, but there is an abundance of equity capital and senior and mezzanine debt looking to be invested. Not surprisingly, the result is that most quality middle market companies being offered for sale are being pursued aggressively at high prices. Many senior and mezzanine debt providers are offering higher leverage and lower pricing levels to finance these higher-priced companies. To us, it seems like the market has once again become overheated. While we are disappointed with the current level of deal flow available to the Trust, we will not compromise our underwriting standards and stray from the investment philosophy that has served us well for so many years just to put new investments into the portfolio. We are hopeful that deal flow will pick up during the remainder of the year and bring the supply/demand imbalance back into line, which should result in increased investment opportunities for the Trust.

(Continued)

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Most of our portfolio companies reported improved operating results in the second quarter of 2011, and several more of our companies were able to resume paying cash interest on their debt obligations due to their improved financial results and liquidity positions. We are pleased with the continued improving quality of the portfolio. Realization activity for the Trust was strong in the second quarter as we had four companies sold. Directed Electronics, Inc., Justrite Manufacturing Acquisition Company, Safety Speed Cut Manufacturing Company, Inc. and Total E&S, Inc. all turned out to be successful investments for the Trust. We continue to have a healthy backlog of companies that are in various stages of a sale process, so we expect realization activity for the remainder of 2011 to be strong.

Thank you for your continued interest in and support of MassMutual Participation Investors.

Sincerely,

Michael L. Klofas  
President

Portfolio Composition as of 6/30/11 \*

\* 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

MassMutual Participation Investors

June 30, 2011

(Unaudited)

Assets:

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value

(Cost - \$115,798,217)

\$ 107,379,676

Corporate restricted securities at market value

(Cost - \$3,337,384)

3,371,923

Corporate public securities at market value

(Cost - \$12,559,993)

13,177,719

Short-term securities at amortized cost

6,999,785

Total investments (Cost - \$138,695,379)

130,929,103

Cash and cash equivalents

5,961,446

Interest receivable

1,129,222

Receivables for investments sold

869,635

Other assets

335,524

Total assets

139,224,930

Liabilities:

Note payable

12,000,000

Deferred tax liability

472,673

Investment advisory fee payable

284,077

Interest payable

88,933

Accrued expenses

122,607

Total liabilities

12,968,290

Total net assets

\$ 126,256,640

Net Assets:

Common shares, par value \$.01 per share

\$ 100,811

Additional paid-in capital

94,257,944

Retained net realized gain on investments, prior years

33,323,976

Undistributed net investment income

5,521,757

Accumulated net realized gain on investments

1,291,101

Net unrealized depreciation of investments

(8,238,949 )

Total net assets

\$ 126,256,640

Common shares issued and outstanding (14,785,750 authorized)

10,081,044

Net asset value per share

\$ 12.52

See Notes to Consolidated Financial Statements



## CONSOLIDATED STATEMENT OF OPERATIONS

For the six months ended June 30, 2011

(Unaudited)

## Investment Income:

|                         |             |
|-------------------------|-------------|
| Interest                | \$7,548,922 |
| Dividends               | 213,630     |
| Other                   | 48,747      |
| Total investment income | 7,811,299   |

## Expenses:

|                             |           |
|-----------------------------|-----------|
| Investment advisory fees    | 563,028   |
| Interest                    | 348,000   |
| Trustees' fees and expenses | 101,625   |
| Professional fees           | 93,800    |
| Reports to shareholders     | 47,993    |
| Custodian fees              | 13,000    |
| Other                       | 12,718    |
| Total expenses              | 1,180,164 |
| Investment income - net     | 6,631,135 |

## Net realized and unrealized gain on investments:

|   |             |
|---|-------------|
| Net realized gain on investments before taxes                     | 318,792     |
| Income tax expense  | (22,539 )   |
| Net realized gain on investments after taxes                      | 296,253     |
| Net change in unrealized depreciation of investments before taxes | 2,289,558   |
| Net change in deferred income tax expense                         | (208,208 )  |
| Net change in unrealized depreciation of investments after taxes  | 2,081,350   |
| Net gain on investments   | 2,377,603   |
| Net increase in net assets resulting from operations              | \$9,008,738 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS      MassMutual Participation Investors  
 For the six months ended June 30, 2011  
 (Unaudited)

|  |              |
|--|--------------|
| Net increase in cash:  |              |
| Cash flows from operating activities:  |              |
| Purchases/Proceeds/Maturities from short-term portfolio securities, net                    | \$3,059,019  |
| Purchases of portfolio securities  | (14,995,213) |
| Proceeds from disposition of portfolio securities  | 16,347,964   |
| Interest, dividends and other income received  | 4,743,503    |
| Interest expense paid  | (348,000 )   |
| Operating expenses paid  | (886,536 )   |
| Income taxes paid  | (485,864 )   |
| Net cash provided by operating activities  | 7,434,873    |
| Cash flows from financing activities:  |              |
| Cash dividends paid from net investment income   | (5,230,214 ) |
| Receipts for shares issued on reinvestment of dividends                                    | 425,313      |
| Net cash used for financing activities   | (4,804,901 ) |
| Net increase in cash   | 2,629,972    |
| Cash - beginning of year   | 3,331,474    |
| Cash and cash equivalents - end of period  | \$5,961,446  |
| Reconciliation of net increase in net assets to net cash provided by operating activities: |              |
| Net increase in net assets resulting from operations                                       | \$9,008,738  |
| Increase in investments  | (259,825 )   |
| Decrease in interest receivable  | 200,608      |
| Increase in other assets   | (1,205,159 ) |
| Increase in deferred tax liability   | 208,208      |
| Increase in investment advisory fee payable  | 15,485       |
| Decrease in accrued expenses   | (52,729 )    |
| Decrease in accrued taxes payable  | (463,325 )   |
| Decrease in other payables   | (17,128 )    |
| Total adjustments to net assets from operations  | (1,573,865 ) |
| Net cash provided by operating activities  | \$7,434,873  |

See Notes to Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

|  | For the six<br>months ended<br>06/30/11<br>(Unaudited) | For the<br>year ended<br>12/31/10 |
|--|--|-----------------------------------|
| Increase in net assets:  |  |                                   |
| Operations:  |  |                                   |
| Investment income - net  | \$6,631,135  | \$10,266,428                      |
| Net realized gain on investments after taxes   | 296,253  | 1,179,654                         |
| Net change in unrealized depreciation of investments after taxes   | 2,081,350  | 8,365,960                         |
| Net increase in net assets resulting from operations   | 9,008,738  | 19,812,042                        |
| Increase from common shares issued on reinvestment of dividends  |  |                                   |
| Common shares issued (2011 - 30,773; 2010 - 67,032)  | 425,313  | 828,922                           |
| Dividends to shareholders from:  |  |                                   |
| Net investment income (2011 - \$0.27 per share; 2010 - \$1.00 per share)   | (2,717,646 )   | (10,026,104 )                     |
| Total increase in net assets   | 6,716,405  | 10,614,860                        |
| Net assets, beginning of year  | 119,540,235  | 108,925,375                       |
| Net assets, end of period/year (including undistributed net investment income of \$5,521,757 and \$1,608,268 respectively) | \$126,256,640  | \$119,540,235                     |

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 six months ended |  | For the years ended December 31, |           |           |           |           |  |  |  |
|--|--------------------------|--|----------------------------------|-----------|-----------|-----------|-----------|--|--|--|
|  | 06/30/2011 (Unaudited)   |  | 2010                             | 2009      | 2008      | 2007      | 2006      |  |  |  |
| Net asset value:   |                          |  |                                  |           |           |           |           |  |  |  |
| Beginning of year  | \$ 11.89                 |  | \$ 10.91                         | \$ 11.10  | \$ 12.84  | \$ 12.90  | \$ 12.21  |  |  |  |
| Net investment income (a)  | 0.66                     |  | 1.02                             | 0.94      | 1.08      | 1.23      | 1.10      |  |  |  |
| Net realized and unrealized gain (loss) on investments                           | 0.23                     |  | 0.95                             | (0.13 )   | (1.82 )   | (0.05 )   | 0.77      |  |  |  |
| Total from investment operations   | 0.89                     |  | 1.97                             | 0.81      | (0.74 )   | 1.18      | 1.87      |  |  |  |
| Dividends from net investment income to common shareholders                      | (0.27 )                  |  | (1.00 )                          | (1.00 )   | (1.00 )   | (1.23 )   | (1.18 )   |  |  |  |
| Dividends from net realized gain on investments to common shareholders           | -                        |  | -                                | -         | -         | (0.02 )   | (0.01 )   |  |  |  |
| Increase from dividends reinvested   | 0.01                     |  | 0.01                             | 0.00 (b)  | 0.00 (b)  | 0.01      | 0.01      |  |  |  |
| Total dividends  | (0.26 )                  |  | (0.99 )                          | (1.00 )   | (1.00 )   | (1.24 )   | (1.18 )   |  |  |  |
| Net asset value: End of period/year  | \$ 12.52                 |  | \$ 11.89                         | \$ 10.91  | \$ 11.10  | \$ 12.84  | \$ 12.90  |  |  |  |
| Per share market value:  |                          |  |                                  |           |           |           |           |  |  |  |
| End of period/year   | \$ 14.94                 |  | \$ 13.88                         | \$ 12.20  | \$ 9.05   | \$ 13.18  | \$ 14.70  |  |  |  |
| Total investment return  |                          |  |                                  |           |           |           |           |  |  |  |
| Net asset value (c)  | 7.63 %                   |  | 18.71 %                          | 7.60 %    | (6.01 %)  | 9.95 %    | 18.64 %   |  |  |  |
| Market value (c)   | 9.70 %                   |  | 22.94 %                          | 40.86 %   | (25.36 %) | (1.30 %)  | 16.81 %   |  |  |  |
| Net assets (in millions):  |                          |  |                                  |           |           |           |           |  |  |  |
| End of period/year   | \$ 126.26                |  | \$ 119.54                        | \$ 108.93 | \$ 110.18 | \$ 126.63 | \$ 126.52 |  |  |  |
| Ratio of operating expenses to average net assets                                | 1.37 % <sup>(e)</sup>    |  | 1.46 %                           | 1.41 %    | 1.33 %    | 1.36 %    | 1.17 %    |  |  |  |
| Ratio of interest expense to average net assets                                  | 0.57 % <sup>(e)</sup>    |  | 0.61 %                           | 0.63 %    | 0.58 %    | 0.56 %    | 0.57 %    |  |  |  |
| Ratio of income tax expense to average net assets (d)                            | 0.04 % <sup>(e)</sup>    |  | 0.46 %                           | 0.00 %    | 0.00 %    | 0.48 %    | 2.68 %    |  |  |  |
| Ratio of total expenses before custodian fee reduction to average net assets (d) | 1.98 % <sup>(e)</sup>    |  | 2.53 %                           | 2.04 %    | 1.91 %    | 2.40 %    | 4.46 %    |  |  |  |

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|  |       |      |      |   |      |   |      |   |      |   |      |   |
|--|-------|------|------|---|------|---|------|---|------|---|------|---|
| Ratio of net expenses after<br>custodian fee<br>reduction to average net<br>assets (d) | 1.98  | %(e) | 2.53 | % | 2.04 | % | 1.91 | % | 2.40 | % | 4.42 | % |
| Ratio of net investment<br>income<br>to average net assets                             | 10.90 | %(e) | 8.96 | % | 8.55 | % | 8.74 | % | 9.32 | % | 8.43 | % |
| Portfolio turnover   | 6     | %    | 27   | % | 23   | % | 32   | % | 33   | % | 34   | % |

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

Senior borrowings:

|   |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|
| Total principal amount (in<br>millions)       | \$12     | \$12     | \$12     | \$12     | \$12     | \$12     |
| Asset coverage per \$1,000 of<br>indebtedness | \$11,521 | \$10,962 | \$10,077 | \$10,181 | \$11,552 | \$11,543 |

See Notes to Consolidated Financial Statements



## CONSOLIDATED SCHEDULE OF INVESTMENTS

June 30, 2011

(Unaudited)

|  | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost       | Fair<br>Value |
|--|--|---------------------|------------|---------------|
| Corporate Restricted Securities - 87.72%:<br>(A)   |  |                     |            |               |
| Private Placement Investments - 85.05%   |  |                     |            |               |
| A E Company, Inc.  |  |                     |            |               |
| A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries.  |  |                     |            |               |
| 11% Senior Secured Note due 2015   | \$ 752,307   | *                   | \$ 740,417 | \$ 765,710    |
| 13% Senior Subordinated Note due 2016  | \$ 807,693   | 11/10/09            | 735,654    | 813,473       |
| Common Stock (B)   | 184,615 shs.   | 11/10/09            | 184,615    | 118,264       |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)   | 92,308 shs.  | 11/10/09            | 68,566     | 59,133        |
| * 11/10/09 and 11/18/09.   |  |                     | 1,729,252  | 1,756,580     |
| 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  | \$ 1,373,223   | 11/21/07            | 1,354,423  | 1,373,223     |
| Limited Partnership Interest (B)   | 12.26% int.  | 11/21/07            | 119,009    | 173,322       |
|  |  |                     | 1,473,432  | 1,546,545     |
| 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            | 405,678    | 455,005       |
| Limited Liability Company Unit Class A-2 (B)   | 676 uts.   | 12/31/08            | 74,333     | 221,291       |
| Limited Liability Company Unit Class A-3 (B)   | 608 uts.   | 12/31/08            | 66,899     | 199,164       |
|  |  |                     | 546,910    | 875,460       |
| A S C Group, Inc.  |  |                     |            |               |
| A designer and manufacturer of high reliability encryption equipment, communications products, computing systems and electronic components primarily for the military and aerospace sectors. |  |                     |            |               |
| 12.75% Senior Subordinated Note due 2016   | \$ 1,227,273   | 10/09/09            | 1,079,097  | 1,251,818     |
| Limited Liability Company Unit Class A (B)   | 2,186 uts.   | *                   | 214,793    | 252,675       |
| Limited Liability Company Unit Class B (B)   | 1,473 uts.   | 10/09/09            | 144,716    | 170,261       |
| * 10/09/09 and 10/27/10.   |  |                     | 1,438,606  | 1,674,754     |

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A W X Holdings Corporation

A provider of aerial equipment rental, sales and repair services to non-residential construction and maintenance contractors operating in the State of Indiana.

|  |             |          |         |         |
|--|-------------|----------|---------|---------|
| 10.5% Senior Secured Term Note due 2014 (D)                                      | \$ 420,000  | 05/15/08 | 413,944 | 315,000 |
| 13% Senior Subordinated Note due 2015 (D)  | \$ 420,000  | 05/15/08 | 384,627 | -       |
| Common Stock (B)   | 60,000 shs. | 05/15/08 | 60,000  | -       |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 21,099 shs. | 05/15/08 | 35,654  | -       |
|  |             |          | 894,225 | 315,000 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)   |    | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost         | Fair<br>Value |
|--|----|--|---------------------|--------------|---------------|
| Advanced Technologies Holdings   |    |  |                     |              |               |
| A provider of factory maintenance services to industrial companies.  |    |  |                     |              |               |
| 15% Senior Subordinated Note due 2013  | \$ | 1,199,494  | 12/27/07            | \$ 1,187,705 | \$ 1,199,494  |
| Preferred Stock (B)  |    | 546 shs.   | 12/27/07            | 270,000      | 401,898       |
| Preferred Stock Series B (B)   |    | 28 shs.  | 01/04/11            | 21,600       | 20,469        |
|  |    |  |                     | 1,479,305    | 1,621,861     |
| Aero Holdings, Inc.  |    |  |                     |              |               |
| A provider of geospatial services to corporate and government clients.                                       |    |  |                     |              |               |
| 10.5% Senior Secured Term Note due 2014  | \$ | 697,500  | 03/09/07            | 692,543      | 705,352       |
| 14% Senior Subordinated Note due 2015  | \$ | 720,000  | 03/09/07            | 671,674      | 720,000       |
| Common Stock (B)   |    | 150,000 shs.   | 03/09/07            | 150,000      | 233,416       |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)                             |    | 37,780 shs.  | 03/09/07            | 63,730       | 58,790        |
|  |    |  |                     | 1,577,947    | 1,717,558     |
| All Current Holding Company  |    |  |                     |              |               |
| A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors. |    |  |                     |              |               |
| 12% Senior Subordinated Note due 2015  | \$ | 603,697  | 09/26/08            | 563,907      | 609,734       |
| Common Stock (B)   |    | 713 shs.   | 09/26/08            | 71,303       | 57,782        |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)                             |    | 507 shs.   | 09/26/08            | 46,584       | 41,088        |
|  |    |  |                     | 681,794      | 708,604       |

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American Hospice Management  
Holding LLC

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

|   |              |          |           |           |
|---|--------------|----------|-----------|-----------|
| 12% Senior Subordinated Note<br>due 2013              | \$ 1,687,503 | *        | 1,646,195 | 1,687,503 |
| Preferred Class A Unit (B)                            | 1,706 uts.   | **       | 170,600   | 303,947   |
| Preferred Class B Unit (B)                            | 808 uts.     | 06/09/08 | 80,789    | 131,569   |
| Common Class B Unit (B)                               | 16,100 uts.  | 01/22/04 | 1         | 70,283    |
| Common Class D Unit (B)                               | 3,690 uts.   | 09/12/06 | -         | 16,108    |
| * 01/22/04 and 06/09/08. **<br>01/22/04 and 09/12/06. |              |          | 1,897,585 | 2,209,410 |

Apex Analytix Holding Corporation

A provider of audit recovery and fraud detection services and software to commercial and retail businesses in the U.S.  
and Europe.

|   |              |          |           |           |
|---|--------------|----------|-----------|-----------|
| 12.5% Senior Subordinated Note due 2014 | \$ 1,012,500 | 04/28/09 | 888,361   | 1,012,500 |
| Preferred Stock Series B (B)            | 1,623 shs.   | 04/28/09 | 162,269   | 198,004   |
| Common Stock (B)                        | 723 shs.     | 04/28/09 | 723       | 88,248    |
|   |              |          | 1,051,353 | 1,298,752 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A)<br>(Continued)  | Principal<br>Amount,<br>Shares, Units<br>or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost       | Fair Value |
|--|--|---------------------|------------|------------|
| 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 (D)  | \$ 1,054,025   | 05/18/05            | \$ 964,526 | \$ 632,415 |
| Preferred Stock (B)  | 33 shs.  | 10/16/09            | 33,224     | -          |
| Common Stock (B)   | 263 shs.   | 05/18/05            | 263,298    | -          |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)   | 69 shs.  | 05/18/05            | 59,362     | -          |
|  |  |                     | 1,320,410  | 632,415    |
| Associated Diversified Services  |  |                     |            |            |
| A provider of routine maintenance and repair services primarily to electric utility companies predominantly on electric power distribution lines.                        |  |                     |            |            |
| 10% Senior Secured Term Note due 2016 (C)  | \$ 332,000   | 09/30/10            | 324,482    | 326,016    |
| 13% Senior Subordinated Note due 2017  | \$ 332,000   | 09/30/10            | 298,469    | 321,535    |
| Limited Liability Company Unit Class B (B)   | 36,000 uts.  | 09/30/10            | 36,000     | 34,200     |
| Limited Liability Company Unit Class B OID (B)   | 27,520 uts.  | 09/30/10            | 27,520     | 275        |
|  |  |                     | 686,471    | 682,026    |
| Barcodes Group, Inc.   |  |                     |            |            |
| A distributor and reseller of automatic identification and data capture equipment, including mobile computers, scanners, point-of-sale systems, labels, and accessories. |  |                     |            |            |
| 13.5% Senior Subordinated Note due 2016  | \$ 643,506   | 07/27/10            | 614,740    | 662,812    |
| Preferred Stock (B)  | 13 shs.  | 07/27/10            | 131,496    | 124,925    |
| Common Stock Class A (B)   | 44 shs.  | 07/27/10            | 437        | 415        |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)   | 8 shs.   | 07/27/10            | 76         | -          |
|  |  |                     | 746,749    | 788,152    |

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Bravo Sports Holding Corporation

A designer and marketer of niche branded consumer products including canopies, trampolines, in-line skates, skateboards, and urethane wheels.

12.5% Senior Subordinated Note

|  |              |          |           |           |
|--|--------------|----------|-----------|-----------|
| due 2014   | \$ 1,207,902 | 06/30/06 | 1,171,162 | 1,207,902 |
| Preferred Stock Class A (B)  | 465 shs.     | 06/30/06 | 141,946   | 69,079    |
| Common Stock (B)   | 1 sh.        | 06/30/06 | 152       | -         |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 164 shs.     | 06/30/06 | 48,760    | 24,277    |
|  |              |          | 1,362,020 | 1,301,258 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|---|---|------------------|-----------|------------|
| <b>C D N T, Inc.</b>  |   |                  |           |            |
| A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils.   |   |                  |           |            |
| 10.5% Senior Secured Term Note due 2014   | \$321,803   | 08/07/08         | \$317,982 | \$318,579  |
| 12.5% Senior Subordinated Note due 2015   | \$429,070   | 08/07/08         | 399,954   | 420,326    |
| Common Stock (B)  | 41,860 shs.   | 08/07/08         | 41,860    | 29,792     |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 32,914 shs.   | 08/07/08         | 32,965    | 23,425     |
|   |   |                  | 792,761   | 792,122    |
| <b>Capital Specialty Plastics, Inc.</b>   |   |                  |           |            |
| A producer of desiccant strips used for packaging pharmaceutical products.  |   |                  |           |            |
| Common Stock (B)  | 55 shs.   | *                | 252       | 600,006    |
| *12/30/97 and 05/29/99.   |   |                  |           |            |
| <b>Clough, Harbour and Associates</b>   |   |                  |           |            |
| An engineering service firm that is located in Albany, NY.  |   |                  |           |            |
| 12.25% Senior Subordinated Note due 2015  | \$1,270,588   | 12/02/08         | 1,202,378 | 1,283,294  |
| Preferred Stock (B)   | 147 shs.  | 12/02/08         | 146,594   | 179,085    |
|   |   |                  | 1,348,972 | 1,462,379  |
| <b>CHG Alternative Education Holding Company</b>  |   |                  |           |            |
| A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs. |   |                  |           |            |
| 13.5% Senior Subordinated Note due 2018   | \$ 717,317  | 01/19/11         | 675,693   | 717,935    |
| Common Stock (B)  | 375 shs.  | 01/19/11         | 37,500    | 35,625     |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)  | 295 shs.  | 01/19/11         | 29,250    | 3          |
|   |   |                  | 742,443   | 753,563    |
| <b>Coeur, Inc.</b>  |   |                  |           |            |
| A producer of proprietary, disposable power injection syringes.   |   |                  |           |            |
| 12% Senior Subordinated Note due 2016   | \$ 642,857  | 10/10/08         | 595,651   | 635,450    |
| Common Stock (B)  | 321 shs.  | 10/10/08         | 32,143    | 18,402     |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 495 shs.  | 10/10/08         | 48,214    | 28,310     |
|   |   |                  | 676,008   | 682,162    |

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 | 719,299 | 578,288 |
| Limited Liability Company Unit Class A |              |          |         |         |
| (B)                                    | 82,613 uts.  | 01/12/07 | 82,613  | -       |
| Limited Liability Company Unit Class C |              |          |         |         |
| (B)                                    | 59,756 uts.  | 01/12/07 | 59,756  | -       |
| 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 | -       | -       |
|  |              |          | 861,668 | 578,288 |



## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A)<br>(Continued)  | Principal<br>Amount,<br>Shares, Units<br>or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost       | Fair Value |
|--|--|---------------------|------------|------------|
| Connor Sport Court International,<br>Inc.<br>A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products.                              |  |                     |            |            |
| Preferred Stock Series B-2 (B)   | 9,081 shs.   | 07/05/07            | \$ 370,796 | \$ 908,072 |
| Preferred Stock Series C (B)   | 4,757 shs.   | 07/05/07            | 158,912    | 475,708    |
| Common Stock (B)   | 380 shs.   | 07/05/07            | 4          | 444        |
| Limited Partnership Interest (B)<br>*08/12/04 and 01/14/05.  | 6.88% int.   | *                   | 103,135    | -          |
|  |  |                     | 632,847    | 1,384,224  |
| CorePharma LLC<br>A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.  |  |                     |            |            |
| 14.5% Senior Subordinated Note due 2016  | \$ 1,373,435   | 08/04/05            | 1,373,435  | 1,373,435  |
| Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)  | 10 shs.  | 08/04/05            | 72,617     | 286,856    |
|  |  |                     | 1,446,052  | 1,660,291  |
| Crane Rental Corporation<br>A crane rental company.  |  |                     |            |            |
| 13% Senior Subordinated Note due 2015  | \$ 1,215,000   | 08/21/08            | 1,124,205  | 1,186,187  |
| Common Stock (B)   | 135,000 shs.   | 08/21/08            | 135,000    | -          |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 72,037 shs.  | 08/21/08            | 103,143    | -          |
|  |  |                     | 1,362,348  | 1,186,187  |
| Custom Engineered Wheels, Inc.<br>A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used primarily for lawn and garden products and wheelchairs. |  |                     |            |            |
| 12.5% Senior Subordinated Note due 2016  |  | \$ 1,155,288        | 10/27/09   | 1,025,468  |
| Preferred Stock PIK (B)  | 156 shs.   | 10/27/09            | 156,468    | 114,334    |
| Preferred Stock Series A (B)   | 114 shs.   | 10/27/09            | 104,374    | 83,534     |
| Common Stock (B)   | 38 shs.  | 10/27/09            | 38,244     | -          |

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|  |         |          |           |           |
|--|---------|----------|-----------|-----------|
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 28 shs. | 10/27/09 | 25,735    | -         |
|  |         |          | 1,350,289 | 1,325,153 |

Davis-Standard LLC

A manufacturer, assembler, and installer of a broad range of capital equipment that is used in the extrusion, conversion, and processing of plastic materials.

|   |            |          |         |           |
|---|------------|----------|---------|-----------|
| 12% Senior Subordinated Note due 2014   | \$ 489,131 | 10/30/06 | 471,730 | 489,131   |
| Limited Partnership Interest (B)  | 0.97% int. | 10/30/06 | 371,739 | 607,052   |
| Warrant, exercisable until 2014, to purchase preferred stock at \$.01 per share (B) | 26 shs.    | 10/30/06 | 26,380  | 41,002    |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)    | 18 shs.    | 10/30/06 | 18,000  | 39,210    |
|   |            |          | 887,849 | 1,176,395 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|--|---|------------------|------------|------------|
| <b>Duncan Systems, Inc.</b>  |   |                  |            |            |
| A distributor of windshields and side glass for the recreational vehicle market.   |   |                  |            |            |
| 10% Senior Secured Term Note due 2013  | \$ 231,429  | 11/01/06         | \$ 229,992 | \$ 235,236 |
| 13% Senior Subordinated Note due 2014  | \$ 488,572  | 11/01/06         | 457,873    | 488,572    |
| Common Stock (B)   | 102,857 shs.  | 11/01/06         | 102,857    | 56,082     |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)   | 32,294 shs.   | 11/01/06         | 44,663     | 17,608     |
|  |   |                  | 835,385    | 797,498    |
| <b>E S P Holdco, Inc.</b>  |   |                  |            |            |
| A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.  |   |                  |            |            |
| 14% Senior Subordinated Note due 2015  | \$ 1,259,880  | 01/08/08         | 1,243,016  | 1,247,084  |
| Common Stock (B)   | 349 shs.  | 01/08/08         | 174,701    | 79,417     |
|  |   |                  | 1,417,717  | 1,326,501  |
| <b>E X C Acquisition Corporation</b>   |   |                  |            |            |
| A manufacturer of pre-filled syringes and pump systems used for intravenous drug delivery.   |   |                  |            |            |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)   | 11 shs.   | 06/28/04         | 40,875     | 76,948     |
| <b>Eatem Holding Company</b>   |   |                  |            |            |
| A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products produced by food manufacturers for retail and foodservice end products.             |   |                  |            |            |
| 12.5% Senior Subordinated Note due 2018  | \$ 950,000  | 02/01/10         | 836,690    | 920,650    |
| Common Stock (B)   | 50 shs.   | 02/01/10         | 50,000     | 39,431     |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)   | 119 shs.  | 02/01/10         | 107,100    | 94,019     |
|  |   |                  | 993,790    | 1,054,100  |
| <b>F C X Holdings Corporation</b>  |   |                  |            |            |
| A distributor of specialty/technical valves, actuators, accessories, and process instrumentation supplying a number of industrial, high purity, and energy end markets in North America. |   |                  |            |            |
| 15% Senior Subordinated Note due 2015  | \$ 1,213,891  | 10/06/08         | 1,197,816  | 1,238,168  |
| Preferred Stock Series A (B)   | 122 shs.  | 12/30/10         | 12,200     | 11,590     |

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|                              |            |          |           |           |
|------------------------------|------------|----------|-----------|-----------|
| Preferred Stock Series B (B) | 2,298 shs. | 10/06/08 | 229,804   | 255,125   |
| Common Stock (B)             | 1,625 shs. | 10/06/08 | 1,625     | -         |
|                              |            |          | 1,441,445 | 1,504,883 |

F F C Holding Corporation

A leading U.S. manufacturer of private label frozen novelty and ice cream products.

|   |            |          |           |           |
|---|------------|----------|-----------|-----------|
| 16% Senior Subordinated Note due 2017         | \$ 851,555 | 09/27/10 | 835,838   | 857,901   |
| Limited Liability Company Units Preferred (B) | 171 uts.   | 09/27/10 | 153,659   | 145,974   |
| Limited Liability Company Units (B)           | 171 uts.   | 09/27/10 | 17,073    | 16,219    |
|   |            |          | 1,006,570 | 1,020,094 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost       | Fair Value |
|---|---|------------------|------------|------------|
| <b>F G I Equity LLC</b>   |   |                  |            |            |
| A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings. |   |                  |            |            |
| 14.25% Senior Subordinated Note due 2016  | \$ 438,379  | 12/15/10         | \$ 426,574 | \$448,609  |
| Limited Liability Company Unit Class B-1 (B)  | 65,789 uts.   | 12/15/10         | 65,789     | 62,500     |
| Limited Liability Company Unit Class B-2 (B)  | 8,248 uts.  | 12/15/10         | 8,248      | 82         |
|   |   |                  | 500,611    | 511,191    |
| <b>F H Equity LLC</b>   |   |                  |            |            |
| A designer and manufacturer of a full line of automatic transmission filters and filtration systems for passenger vehicles.   |   |                  |            |            |
| 14% Senior Subordinated Note due 2017   | \$ 505,348  | 12/20/10         | 485,324    | 513,107    |
| Limited Liability Company Unit Class C (B)  | 1,575 uts.  | 12/20/10         | 16,009     | 16         |
|   |   |                  | 501,333    | 513,123    |
| <b>Flutes, Inc.</b>   |   |                  |            |            |
| An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products packaging industries.  |   |                  |            |            |
| 10% Senior Secured Term Note due 2013 (D)   | \$524,791   | 04/13/06         | 519,050    | 498,551    |
| 14% Senior Subordinated Note due 2014 (D)   | \$317,177   | 04/13/06         | 290,908    | -          |
|   |   |                  | 809,958    | 498,551    |
| <b>G C Holdings</b>   |   |                  |            |            |
| A leading manufacturer of gaming tickets, industrial recording charts, security-enabled point-of sale receipts, and medical charts and supplies.  |   |                  |            |            |
| 12.5% Senior Subordinated Note due 2017   | \$1,000,000   | 10/19/10         | 937,238    | 1,020,560  |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 198 shs.  | 10/19/10         | 46,958     | 2          |
|   |   |                  | 984,196    | 1,020,562  |
| <b>Golden County Foods Holding, Inc.</b>  |   |                  |            |            |
| A manufacturer of frozen appetizers and snacks.   |   |                  |            |            |
| 16% Senior Subordinated Note due 2015 (D)   | \$1,012,500   | 11/01/07         | 938,215    | -          |

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|   |             |          |           |   |
|---|-------------|----------|-----------|---|
| 16% PIK Note due 2015 (D)   | \$250,259   | 12/31/08 | 217,699   | - |
| 8% Series A Convertible Preferred Stock, convertible into common shares (B) | 77,643 shs. | 11/01/07 | 77,643    | - |
|   |             |          | 1,233,557 | - |

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 | 271,181   | 181,350 |
| Preferred Stock (B)  | 21 shs.    | *        | 21,428    | -       |
| Preferred Stock Series B (B)   | 1,088 shs. | 10/15/09 | 813,544   | -       |
| Common Stock (B)   | 180 shs.   | 02/10/06 | 180,000   | -       |
| 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 | 61,875    | -       |
| * 09/18/07 and 06/27/08.   |            |          | 1,348,028 | 181,350 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value  |
|--|---|------------------|-------------|-------------|
| <b>Home Décor Holding Company</b>  |   |                  |             |             |
| A designer, manufacturer and marketer of framed art and wall décor products.   |   |                  |             |             |
| 12.5% Senior Subordinated Note due 2013  | \$ 1,081,731  | *                | \$1,040,343 | \$1,081,731 |
| Common Stock (B)   | 33 shs.   | *                | 33,216      | 49,863      |
| Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)   | 106 shs.  |                  | 105,618     | 158,535     |
| * 06/30/04 and 08/19/04.   |   |                  | 1,179,177   | 1,290,129   |
| <b>Hospitality Mints Holding Company</b>   |   |                  |             |             |
| A manufacturer of individually-wrapped imprinted promotional mints.  |   |                  |             |             |
| 12% Senior Subordinated Note due 2016  | \$ 1,308,732  | 08/19/08         | 1,239,358   | 1,283,234   |
| Common Stock (B)   | 251 shs.  | 08/19/08         | 251,163     | 24,438      |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 65 shs.   | 08/19/08         | 60,233      | 6,317       |
|  |   |                  | 1,550,754   | 1,313,989   |
| <b>Insurance Claims Management, Inc.</b>   |   |                  |             |             |
| A third party administrator providing auto and property claim administration services for insurance companies.   |   |                  |             |             |
| Common Stock (B)   | 47 shs.   | 02/27/07         | 1,424       | 220,193     |
| <b>International Offshore Services LLC</b>   |   |                  |             |             |
| A leading provider of marine transportation services, platform decommissioning, and salvage services to oil and gas producers in the shallow waters of the Gulf of Mexico. |   |                  |             |             |
| 14.25% Senior Subordinated Secured Note due 2017   | \$ 1,350,000  | 07/07/09         | 1,236,405   | 1,318,654   |
| Limited Liability Company Unit (B)   | 1,647 uts.  | 07/07/09         | 98,833      | 67,129      |
|  |   |                  | 1,335,238   | 1,385,783   |
| <b>J A C Holding Enterprises, Inc.</b>   |   |                  |             |             |
| A supplier of luggage racks and accessories to original equipment manufacturers.   |   |                  |             |             |
| 12.5% Senior Subordinated Note due 2017  | \$ 833,333  | 12/20/10         | 716,293     | 796,361     |

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|   |          |          |                    |              |
|---|----------|----------|--------------------|--------------|
| Preferred Stock A (B)   | 165 shs. | 12/20/10 | 165,000            | 148,500      |
| Preferred Stock B (B)   | 0.06 shs | 12/20/10 | -                  | -            |
| Common Stock (B)  | 33 shs.  | 12/20/10 | 1,667              | 1,500        |
| Warrant, exercisable until 2020, to purchase<br>common stock at \$.01 per share (B) | 12 shs.  | 12/20/10 | 105,643<br>988,603 | -<br>946,361 |
| Jason Partners Holdings LLC   |          |          |                    |              |
| A diversified manufacturing company serving various<br>industrial markets.          |          |          |                    |              |
| Limited Liability Company Unit (B)  | 48 uts.  | 09/21/10 | 449,086            | 25,511       |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|--|---|------------------|-----------|------------|
| <b>K H O F Holdings, Inc.</b>  |   |                  |           |            |
| A manufacturer of premium disposable tableware products serving both the foodservice and consumer channels.  |   |                  |           |            |
| Common Stock (B)   | 116,827 shs.  | 10/15/07         | \$ 71,515 | \$ 139,222 |
| <b>K N B Holdings Corporation</b>  |   |                  |           |            |
| A designer, manufacturer and marketer of products for the custom framing market.   |   |                  |           |            |
| 15% Senior Subordinated PIK  |   |                  |           |            |
| Note due 2017  | \$ 2,137,139  | 04/12/11         | 1,950,890 | 2,137,139  |
| Common Stock (B)   | 71,053 shs.   | 05/25/06         | 71,053    | 6,521      |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)   |   |                  |           |            |
|  | 43,600 shs.   | 05/25/06         | 37,871    | 4,002      |
|  |   |                  | 2,059,814 | 2,147,662  |
| <b>K P H I Holdings, Inc.</b>  |   |                  |           |            |
| A manufacturer of highly engineered plastic and metal components for a diverse range of end-markets, including medical, consumer and industrial, automotive and defense. |   |                  |           |            |
| 15% Senior Subordinated Note due 2017  |   |                  |           |            |
|  | \$ 881,684  | 12/10/10         | 864,899   | 869,196    |
| Common Stock (B)   | 130,435 shs.  | 12/10/10         | 130,435   | 123,913    |
|  |   |                  | 995,334   | 993,109    |
| <b>K P I Holdings, Inc.</b>  |   |                  |           |            |
| The largest player in the U.S. non-automotive, non-ferrous die casting segment.  |   |                  |           |            |
| 12.75% Senior Subordinated Note due 2015 (D)   |   |                  |           |            |
|  | \$ 1,301,869  | 07/16/08         | 1,217,729 | 1,294,453  |
| Convertible Preferred Stock Series (B)   | 29 shs.   | 06/30/09         | 29,348    | 58,000     |
| Convertible Preferred Stock Series D (B)   | 13 shs.   | 09/17/09         | 12,958    | 38,880     |
| Common Stock (B)   | 235 shs.  | 07/15/08         | 234,783   | 24,853     |
| Warrant, exercisable until 2018, to purchase   | 51 shs.   | 07/16/08         | 50,836    | 5,382      |

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|   |         |          |           |           |
|---|---------|----------|-----------|-----------|
| common stock at \$.01 per share<br>(B)  |         |          |           |           |
| Warrant, exercisable until 2018,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 67 shs. | 09/17/09 | -         | 7,135     |
|   |         |          | 1,545,654 | 1,428,703 |

K W P I Holdings Corporation

A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.

|  |              |          |           |           |
|--|--------------|----------|-----------|-----------|
| 12% Senior Subordinated Note<br>due 2015 (D)   | \$ 1,674,246 | 03/14/07 | 1,523,455 | 1,339,397 |
| Preferred Stock PIK (B)  | 793 shs.     | 02/07/11 | 306,750   | 245,334   |
| Common Stock (B)   | 123 shs.     | 03/13/07 | 123,000   | -         |
| Warrant, exercisable until 2019,<br>to purchase<br>preferred stock at \$.01 per share<br>(B) | 71 shs.      | 07/07/09 | -         | -         |
| Warrant, exercisable until 2017,<br>to purchase<br>common stock at \$.01 per share<br>(B)    | 89 shs.      | 03/14/07 | 85,890    | -         |
|  |              |          | 2,039,095 | 1,584,731 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|---|---|------------------|-----------|------------|
| <b>M V I Holding, Inc.</b>  |   |                  |           |            |
| A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets. |   |                  |           |            |
| 13% Senior Subordinated Note due 2016   | \$661,088   | 09/12/08         | \$623,780 | \$594,979  |
| Common Stock (B)  | 32 shs.   | 09/12/08         | 32,143    | -          |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 35 shs.   | 09/12/08         | 34,714    | -          |
|   |   |                  | 690,637   | 594,979    |
| <b>Mail Communications Group, Inc.</b>  |   |                  |           |            |
| A provider of mail processing and handling services, lettershop services, and commercial printing services.   |   |                  |           |            |
| 12.5% Senior Subordinated Note due 2014   | \$516,177   | 05/04/07         | 498,888   | 516,177    |
| Limited Liability Company Unit (B)  | 12,764 uts.   | *                | 166,481   | 184,843    |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)  | 1,787 shs.  | 05/04/07         | 22,781    | 25,880     |
| * 05/04/07 and 01/02/08.  |   |                  | 688,150   | 726,900    |
| <b>Manhattan Beachwear Holding Company</b>  |   |                  |           |            |
| A designer and distributor of women's swimwear.   |   |                  |           |            |
| 15% Senior Subordinated Note due 2018   | \$217,681   | 10/05/10         | 213,690   | 222,034    |
| 12.5% Senior Subordinated Note due 2018   | \$882,353   | 01/15/10         | 781,960   | 891,177    |
| Common Stock (B)  | 35 shs.   | 10/05/10         | 35,400    | 66,326     |
| Common Stock Class B (B)  | 118 shs.  | 01/15/10         | 117,647   | 220,431    |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)  | 104 shs.  | 01/15/10         | 94,579    | 195,081    |
|   |   |                  | 1,243,276 | 1,595,049  |
| <b>MBWS Ultimate Holdco, Inc.</b>   |   |                  |           |            |
| A provider of services throughout North Dakota that address the fluid management and related transportation needs of an oil well.   |   |                  |           |            |
| 12 % Senior Subordinated Note due 2016  | \$1,117,495   | *                | 1,017,553 | 1,151,020  |
| Preferred Stock Series A (B)  | 1,388 shs.  | 09/07/10         | 138,797   | 131,860    |
| Common Stock (B)  | 162 shs.  | 03/01/11         | 16,226    | 15,388     |
| Common Stock (B)  | 153 shs.  | 09/07/10         | 15,282    | 14,535     |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)  | 103 shs.  | 03/01/11         | 10,325    | 1          |
| Warrant, exercisable until 2016, to purchase  | 386 shs.  | 09/07/10         | 38,623    | 4          |

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

\* 09/07/10 and 03/01/11.

1,236,806

1,312,808

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|---|---|------------------|-----------|------------|
| <b>MedSystems Holdings LLC</b>  |   |                  |           |            |
| A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding.                           |   |                  |           |            |
| 13% Senior Subordinated Note due 2015   | \$625,343   | 08/29/08         | \$569,285 | \$631,597  |
| Preferred Unit (B)  | 66 uts.   | 08/29/08         | 66,451    | 81,562     |
| Common Unit Class A (B)   | 671 uts.  | 08/29/08         | 671       | 23,396     |
| Common Unit Class B (B)   | 250 uts.  | 08/29/08         | 63,564    | 8,705      |
|   |   |                  | 699,971   | 745,260    |
| <b>MEGTEC Holdings, Inc.</b>  |   |                  |           |            |
| 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         | 1,071,087 | 1,166,949  |
| Preferred Stock (B)   | 56 shs.   | 09/24/08         | 54,040    | 69,280     |
| Limited Partnership Interest (B)  | 0.74% int.  | 09/16/08         | 205,932   | 295,458    |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 18 shs.   | 09/24/08         | 18,237    | 39,835     |
|   |   |                  | 1,349,296 | 1,571,522  |
| <b>MicroGroup, Inc.</b>   |   |                  |           |            |
| A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.                                      |   |                  |           |            |
| 12% Senior Subordinated Note due 2013 (D)   | \$1,421,795   | *                | 1,364,411 | 1,137,436  |
| Common Stock (B)  | 238 shs.  | *                | 238,000   | -          |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)  | 87 shs.   | *                | 86,281    | -          |
| *08/12/05 and 09/11/06.   |   |                  | 1,688,692 | 1,137,436  |
| <b>Milwaukee Gear Company</b>   |   |                  |           |            |
| A manufacturer of high-precision custom gears and gear drives used by original equipment manufacturers operating in a number of industries. |   |                  |           |            |
| 13% Senior Subordinated Note due 2014   | \$ 1,246,154  | 07/21/08         | 1,199,617 | 1,252,911  |
| Preferred Stock (B)   | 139 shs.  | 07/21/08         | 138,374   | 172,043    |
| Common Stock (B)  | 9 shs.  | 07/21/08         | 10,000    | 33,290     |
| Warrant, exercisable until 2014, to purchase  |   |                  |           |            |

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|  |             |          |           |           |
|--|-------------|----------|-----------|-----------|
| common stock at \$.01 per share (B)  | 6 shs.      | 07/21/08 | 5,510     | 22,193    |
|  |             |          | 1,353,501 | 1,480,437 |
| Momentum Holding Company   |             |          |           |           |
| A designer and supplier of upholstery fabric to commercial furniture manufacturers and architectural and design firms. |             |          |           |           |
| Limited Partnership Interest (B)   | 11.24% int. | 08/04/06 | 56,198    | 184,836   |
| Warrant, exercisable until 2014, to purchase   |             |          |           |           |
| common stock at \$.02 per share (B)  | 586 shs.    | 08/04/06 | 56,705    | 192,671   |
|  |             |          | 112,903   | 377,507   |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost        | Fair Value |
|--|---|------------------|-------------|------------|
| <b>Monessen Holding Corporation</b>  |   |                  |             |            |
| 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         | \$1,281,479 | \$675,000  |
| 14% PIK Note due 2014 (D)  | \$419,713   | 07/25/08         | 345,704     | 209,856    |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)   | 81 shs.   | 03/31/06         | 73,125      | -          |
|  |   |                  | 1,700,308   | 884,856    |
| <b>Motion Controls Holdings</b>  |   |                  |             |            |
| A manufacturer of high performance mechanical motion control and linkage products.   |   |                  |             |            |
| 14.25% Senior Subordinated Note due 2017   | \$915,663   | 11/30/10         | 898,953     | 919,900    |
| Limited Liability Company Unit Class B-1 (B)   | 93,750 uts.   | 11/30/10         | 93,750      | 89,063     |
| Limited Liability Company Unit Class B-2 (B)   | 8,501 uts.  | 11/30/10         | 8,501       | 85         |
|  |   |                  | 1,001,204   | 1,009,048  |
| <b>NABCO, Inc.</b>   |   |                  |             |            |
| A producer of explosive containment vessels in the United States.  |   |                  |             |            |
| 14% Senior Subordinated Note due 2014 (D)  | \$330,882   | 02/24/06         | 306,091     | -          |
| Limited Liability Company Unit (B)   | 437 uts.  | *                | 436,984     | -          |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 68 shs.   | 02/24/06         | 19,687      | -          |
| * 02/24/06 and 06/22/07.   |   |                  | 762,762     | -          |
| <b>Nesco Holdings Corporation</b>  |   |                  |             |            |
| A sales and leasing company that provides equipment to the electric utility, telecommunications, and various other industries.       |   |                  |             |            |
| 12% Senior Secured Subordinated Note due 2015  | \$1,125,000   | 08/02/07         | 1,043,916   | 1,125,000  |
| Common Stock (B)   | 225,000 shs.  | 08/02/07         | 225,000     | 845,030    |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)   | 63,191 shs.   | 08/02/07         | 102,842     | 237,325    |
|  |   |                  | 1,371,758   | 2,207,355  |
| <b>NetShape Technologies, Inc.</b>   |   |                  |             |            |
| A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications. |   |                  |             |            |
| 12% Senior Subordinated Note due 2014  | \$929,494   | 02/02/07         | 846,466     | 464,747    |

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|   |            |          |           |         |
|---|------------|----------|-----------|---------|
| Limited Partnership Interest of Saw Mill PCG Partners LLC (B)             | 1.38% int. | 02/01/07 | 588,076   | -       |
| Limited Liability Company Unit Class D of Saw Mill PCG Partners LLC (B)   | 9 uts.     | *        | 8,873     | -       |
| Limited Liability Company Unit Class D-1 of Saw Mill PCG Partners LLC (B) | 121 uts.   | 09/30/09 | 121,160   | -       |
| Limited Liability Company Unit Class D-2 of Saw Mill PCG Partners LLC (B) | 68 uts.    | 04/29/11 | 34,547    | 32,820  |
| * 12/18/08 and 09/30/09.  |            |          | 1,599,122 | 497,567 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|---|---|------------------|-----------|------------|
| <b>Nicoat Acquisitions LLC</b>  |   |                  |           |            |
| A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications. |   |                  |           |            |
| 12.5% Senior Subordinated Note due 2016   | \$ 482,759  | 11/05/10         | \$439,578 | \$478,102  |
| Limited Liability Company Unit Series B (B)   | 17,241 uts.   | 11/05/10         | 17,241    | 16,379     |
| Limited Liability Company Unit Series B - OID (B)   | 34,931 uts.   | 11/05/10         | 34,931    | 349        |
| Limited Liability Company Unit Series F (B)   | 52,172 uts.   | 11/05/10         | -         | 522        |
|   |   |                  | 491,750   | 495,352    |
| <b>Northwest Mailing Services, Inc.</b>   |   |                  |           |            |
| A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs.              |   |                  |           |            |
| 12% Senior Subordinated Note due 2016   | \$ 1,492,105  | *                | 1,247,090 | 1,501,017  |
| Limited Partnership Interest (B)  | 1,740 uts.  | *                | 174,006   | 117,270    |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)  | 2,605 shs.  | *                | 260,479   | 175,548    |
| *07/09/09 and 08/09/10.   |   |                  | 1,681,575 | 1,793,835  |
| <b>NT Holding Company</b>   |   |                  |           |            |
| A leading developer, manufacturer and provider of medical products used primarily in interventional pain management.                          |   |                  |           |            |
| 13.5% Senior Subordinated Note due 2019   | \$ 883,117  | 02/02/11         | 814,531   | 880,507    |
| Common Stock (B)  | 126 shs.  | *                | 125,883   | 119,586    |
| Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)  | 59 shs.   | 02/02/11         | 52,987    | 1          |
| *02/02/11 and 06/30/11.   |   |                  | 993,401   | 1,000,094  |
| <b>Nyloncraft, Inc.</b>   |   |                  |           |            |
| A supplier of engineered plastic components for the automotive industry.  |   |                  |           |            |
|   | 571 shs.  | 01/28/02         | 549,507   | 798,309    |

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|   |              |          |                   |                      |
|---|--------------|----------|-------------------|----------------------|
| Convertible Preferred Stock A<br>(B)  |              |          |                   |                      |
| Common Stock (B)  | 178,571 shs. | 01/28/02 | 178,571           | 207,226              |
| Warrant, exercisable until 2012,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 138,929 shs. | 01/28/02 | 92,597<br>820,675 | 161,223<br>1,166,758 |
| O E C Holding Corporation   |              |          |                   |                      |
| A provider of elevator maintenance, repair and modernization<br>services.                 |              |          |                   |                      |
| 13% Senior Subordinated Note<br>due 2017  | \$ 444,445   | 06/04/10 | 408,098           | 448,231              |
| Preferred Stock Series A (B)  | 554 shs.     | 06/04/10 | 55,354            | 29,737               |
| Preferred Stock Series B (B)  | 311 shs.     | 06/04/10 | 31,125            | 16,721               |
| Common Stock (B)  | 344 shs.     | 06/04/10 | 344<br>494,921    | -<br>494,689         |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost                | Fair Value         |
|---|---|------------------|---------------------|--------------------|
| <b>OakRiver Technology, Inc.</b>  |   |                  |                     |                    |
| Designs, engineers and assembles high precision automated process equipment for the medical device industry with a focus on defibrillators and stents.  |   |                  |                     |                    |
| Common Stock (B)  | 184,176 shs.  | 01/03/06         | \$ 184,176          | \$ 259,913         |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)  | 43,073 shs.   | 01/03/06         | 35,900<br>220,076   | 60,786<br>320,699  |
| <b>Ontario Drive &amp; Gear Ltd.</b>  |   |                  |                     |                    |
| A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories.  |   |                  |                     |                    |
| Limited Liability Company Unit (B)  | 1,942 uts.  | 01/17/06         | 302,885             | 621,801            |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)  | 328 shs.  | 01/17/06         | 90,424<br>393,309   | 104,983<br>726,784 |
| <b>P K C Holding Corporation</b>  |   |                  |                     |                    |
| A manufacturer of plastic film and badges for the general industrial, medical, and food industries.   |   |                  |                     |                    |
| 14% Senior Subordinated Note due 2016   | \$ 1,568,795  | 12/21/10         | 1,528,567           | 1,567,015          |
| Preferred Stock Class A (B)   | 29 shs.   | 12/21/10         | 180,380             | 285,100            |
| Common Stock (B)  | 29 shs.   | 12/21/10         | 13,500<br>1,722,447 | -<br>1,852,115     |
| <b>P P T Holdings LLC</b>   |   |                  |                     |                    |
| 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   | \$ 907,125  | 12/20/10         | 890,035             | 907,870            |
| Limited Liability Company Unit Class A (B)  | 33 uts.   | 12/20/10         | 106,071             | 100,777            |
| Limited Liability Company Unit Class B (B)  | 33 uts.   | 12/20/10         | 1,072<br>997,178    | 1,018<br>1,009,665 |

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Pacific Consolidated Holdings LLC

A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in the global defense, oil and gas, and medical sectors.

14% Senior Subordinated Note

|          |            |          |         |         |
|----------|------------|----------|---------|---------|
| due 2012 | \$ 716,295 | 04/27/07 | 700,897 | 621,957 |
|----------|------------|----------|---------|---------|

5% Senior Subordinated Note due

|      |           |          |        |        |
|------|-----------|----------|--------|--------|
| 2012 | \$ 42,187 | 07/21/10 | 42,187 | 42,184 |
|------|-----------|----------|--------|--------|

Preferred Shares Series E (B)

|             |          |   |   |
|-------------|----------|---|---|
| 42,187 uts. | 07/21/10 | - | - |
|-------------|----------|---|---|

Limited Liability Company Unit

|     |              |          |         |         |
|-----|--------------|----------|---------|---------|
| (B) | 928,962 uts. | 04/27/07 | 33,477  | -       |
|     |              |          | 776,561 | 664,141 |

Paradigm Packaging, Inc.

A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care, and food packaging markets.

12% Senior Subordinated Note

|          |              |          |           |           |
|----------|--------------|----------|-----------|-----------|
| due 2011 | \$ 1,125,000 | 12/19/00 | 1,119,499 | 1,125,000 |
|----------|--------------|----------|-----------|-----------|

Warrant, exercisable until 2011, to purchase

|                                 |          |          |           |           |
|---------------------------------|----------|----------|-----------|-----------|
| common stock at \$.01 per share |          |          |           |           |
| (B)                             | 197 shs. | 12/21/00 | 140,625   | 92,286    |
|                                 |          |          | 1,260,124 | 1,217,286 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|--|---|------------------|-----------|------------|
| Pearlman Enterprises, Inc.<br>A developer and distributor of tools, equipment and supplies to the natural and engineered stone industry.   |   |                  |           |            |
| Preferred Stock Series A (B)   | 1,236 shs.  | 05/22/09         | \$ 59,034 | \$ -       |
| Preferred Stock Series B (B)   | 7,059 shs.  | 05/22/09         | 290,050   | -          |
| Common Stock (B)   | 21,462 shs.   | 05/22/09         | 993,816   | -          |
|  |   |                  | 1,342,900 | -          |
| Postle Aluminum Company LLC<br>A manufacturer and distributor of aluminum extruded products.   |   |                  |           |            |
| 15% Senior Subordinated Note due 2013  | \$ 836,522  | 06/03/10         | 824,673   | 844,887    |
| 3% Senior Subordinated PIK Note due 2014 (D)   | \$ 1,209,017  | 10/02/06         | 1,075,048 | 1,209,017  |
| Limited Liability Company Unit Class A (B)   | 733 uts.  | 10/02/06         | 270,000   | 86,922     |
| Limited Liability Company Unit (B)   | 76 uts.   | 05/22/09         | 340       | 9,015      |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 4,550 shs.  | 10/02/06         | 65,988    | 539,785    |
|  |   |                  | 2,236,049 | 2,689,626  |
| Power Services Holding Company<br>A provider of industrial motor repair services, predictive and preventative maintenance, and performance improvement consulting serving the petrochemical, mining, power generation, metals, and paper industries. |   |                  |           |            |
| 12% Senior Subordinated Note due 2016  | \$ 1,255,814  | 02/11/08         | 1,175,746 | 1,255,814  |
| Limited Partnership Interest (B)   | 12.55% int.   | 02/11/08         | 94,092    | 37,082     |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 700 shs.  | 02/11/08         | 88,723    | 73,083     |
|  |   |                  | 1,358,561 | 1,365,979  |

Precision Wire Holding  
Company

A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical procedures.

14.25% Senior Subordinated

|               |    |           |          |           |           |
|---------------|----|-----------|----------|-----------|-----------|
| Note due 2016 | \$ | 1,383,538 | 11/12/09 | 1,265,342 | 1,404,776 |
|---------------|----|-----------|----------|-----------|-----------|

Warrant, exercisable until 2019,  
to purchase

common stock at \$.01 per share

|     |  |          |          |           |           |
|-----|--|----------|----------|-----------|-----------|
| (B) |  | 109 shs. | 11/12/09 | 107,970   | 91,187    |
|     |  |          |          | 1,373,312 | 1,495,963 |

Qualis Automotive LLC

A distributor of aftermarket automotive brake and chassis products.

|                  |  |              |          |         |         |
|------------------|--|--------------|----------|---------|---------|
| Common Stock (B) |  | 187,500 shs. | 05/28/04 | 187,500 | 182,537 |
|------------------|--|--------------|----------|---------|---------|

Warrant, exercisable until 2014,  
to purchase

common stock at \$.01 per share

|     |  |              |          |         |         |
|-----|--|--------------|----------|---------|---------|
| (B) |  | 199,969 shs. | 05/28/04 | 199,969 | 194,676 |
|     |  |              |          | 387,469 | 377,213 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)  |              | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                | Fair<br>Value       |
|---|--------------|--|---------------------|---------------------|---------------------|
| <b>R A J Manufacturing Holdings LLC</b>   |              |  |                     |                     |                     |
| A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.   |              |  |                     |                     |                     |
| 12.5% Senior Subordinated Note due 2014   | \$ 1,335,212 |  | 12/15/06            | \$ 1,273,994        | \$ 1,273,957        |
| 14.5% Senior Subordinated PIK Note due 2014   | \$ 99,382    |  | 12/31/10            | 94,882              | 95,024              |
| Limited Liability Company Unit (B)  | 1,497 uts.   |  | 12/15/06            | 149,723             | 5,721               |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)  | 2 shs.       |  | 12/15/06            | 69,609<br>1,588,208 | 2,700<br>1,377,402  |
| <b>R E I Delaware Holding, Inc.</b>   |              |  |                     |                     |                     |
| An engineer and manufacturer of highly complex, close tolerance components, assemblies, tooling and custom automation equipment primarily for aerospace, medical and defense/radar markets. |              |  |                     |                     |                     |
| 12% Senior Subordinated Note due 2016   | \$ 1,350,000 |  | 01/18/08            | 1,320,194           | 1,350,000           |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 3 shs.       |  | 01/18/08            | 16,459<br>1,336,653 | 60,538<br>1,410,538 |
| <b>Royal Baths Manufacturing Company</b>  |              |  |                     |                     |                     |
| A manufacturer and distributor of acrylic and cultured marble bathroom products.  |              |  |                     |                     |                     |
| 12.5% Senior Subordinated Note due 2011   | \$ 281,250   |  | 11/14/03            | 279,413             | 281,250             |
| Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)  | 74 shs.      |  | 11/14/03            | 65,089<br>344,502   | 28,574<br>309,824   |
| <b>Savage Sports Holding, Inc.</b>  |              |  |                     |                     |                     |

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A manufacturer of sporting firearms.

|  |            |          |           |           |
|--|------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 2012  | \$ 814,655 | 09/10/04 | 798,591   | 814,655   |
| Preferred Stock Series A (B)   | 35 shs.    | 05/28/10 | 35,038    | 43,800    |
| Common Stock (B)   | 324 shs.   | *        | 340,378   | 713,385   |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) | 71 shs.    | 09/10/04 | 60,129    | 155,756   |
| * 09/10/04 and 10/05/07.   |            |          | 1,234,136 | 1,727,596 |

Sencore Holding Company

A designer, manufacturer, and marketer of decoders, receivers and modulators sold to broadcasters, satellite, cable and telecom operators for encoding/decoding analog and digital transmission video signals.

|  |            |          |           |         |
|--|------------|----------|-----------|---------|
| 12.5% Senior Subordinated Note due 2014 (D)                                      | \$ 934,615 | 01/15/09 | 826,004   | 467,308 |
| Common Stock (B)   | 69 shs.    | 01/15/09 | 69,231    | -       |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 149 shs.   | 01/15/09 | 149,084   | -       |
|  |            |          | 1,044,319 | 467,308 |



## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|---|---|------------------|--------------|--------------|
| <b>Smart Source Holdings LLC</b>  |   |                  |              |              |
| A short-term computer rental company.   |   |                  |              |              |
| 12% Senior Subordinated Note due 2015   | \$ 1,176,924  | *                | \$ 1,104,189 | \$ 1,153,186 |
| Limited Liability Company Unit (B)  | 328 uts.  | *                | 334,371      | 244,020      |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)  | 83 shs.   | *                | 87,231       | 61,810       |
| * 08/31/07 and 03/06/08.  |   |                  | 1,525,791    | 1,459,016    |
| <b>Snacks Parent Corporation</b>  |   |                  |              |              |
| The world's largest provider of trail mixes and a leading provider of snack nuts, dried fruits, and other healthy snack products. |   |                  |              |              |
| 13% Senior Subordinated Note due 2017   | \$ 874,026  | 11/12/10         | 825,311      | 869,546      |
| Preferred Stock A (B)   | 1,132 shs.  | 11/12/10         | 107,498      | 102,123      |
| Preferred Stock B (B)   | 525 shs.  | 11/12/10         | 49,884       | 47,389       |
| Common Stock (B)  | 6,579 shs.  | 11/12/10         | 6,579        | 6,250        |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B)  | 1,806 shs.  | 11/12/10         | 1,806        | 18           |
|   |   |                  | 991,078      | 1,025,326    |
| <b>Spartan Foods Holding Company</b>  |   |                  |              |              |
| A manufacturer of branded pizza crusts and pancakes.  |   |                  |              |              |
| 12.25% Senior Subordinated Note due 2017  | \$ 1,012,500  | 12/15/09         | 887,759      | 911,250      |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  | 136 shs.  | 12/15/09         | 120,234      | -            |
|   |   |                  | 1,007,993    | 911,250      |
| <b>Specialty Commodities, Inc.</b>  |   |                  |              |              |
| A distributor of specialty food ingredients.  |   |                  |              |              |
| 13.25% Senior Subordinated Note due 2016  | \$ 1,231,787  | 10/23/08         | 1,172,006    | 1,244,105    |
| Common Stock (B)  | 15,882 shs.   | 10/23/08         | 158,824      | 167,584      |

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|   |              |          |                     |                     |
|---|--------------|----------|---------------------|---------------------|
| Warrant, exercisable until 2018, to purchase<br>common stock at \$.01 per share (B) | 5,852 shs.   | 10/23/08 | 53,285<br>1,384,115 | 61,749<br>1,473,438 |
| <br>Stanton Carpet Holding Company  |              |          |                     |                     |
| A designer and marketer of high and mid-priced decorative carpets and rugs.         |              |          |                     |                     |
| 12.13% Senior Subordinated Note due<br>2014   | \$ 1,185,366 | 08/01/06 | 1,149,500           | 1,197,220           |
| Common Stock (B)  | 165 shs.     | 08/01/06 | 164,634             | 141,532             |
| Warrant, exercisable until 2014, to purchase<br>common stock at \$.02 per share (B) | 55 shs.      | 08/01/06 | 49,390<br>1,363,524 | 47,137<br>1,385,889 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

MassMutual Participation Investors

| Corporate Restricted Securities: (A)<br>(Continued)  | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                | Fair<br>Value  |
|--|--|---------------------|---------------------|----------------|
| <b>Sundance Investco LLC</b>   |  |                     |                     |                |
| A provider of post-production services to producers of movies and television shows.  |  |                     |                     |                |
| Limited Liability Company Unit Class A<br>(B)  | 3,405 shs.   | 03/31/10            | \$ -                | \$ -           |
| <b>Sunrise Windows Holding Company</b>   |  |                     |                     |                |
| A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market. |  |                     |                     |                |
| 14% Senior Subordinated Note<br>due 2017   | \$ 972,441   | 12/14/10            | 918,519             | 974,078        |
| Common Stock (B)   | 38 shs.  | 12/14/10            | 38,168              | 36,262         |
| Warrant, exercisable until 2020,<br>to purchase<br>common stock at \$.01 per share<br>(B)                                      | 37 shs.  | 12/14/10            | 37,249<br>993,936   | -<br>1,010,340 |
| <b>Syneract Holdings Corporation</b>   |  |                     |                     |                |
| A provider of outsourced clinical trial management services to pharmaceutical and biotechnology companies.                     |  |                     |                     |                |
| 14.5% Senior Subordinated Note<br>due 2016   | \$ 1,397,042   | 09/02/08            | 1,324,469           | 1,411,012      |
| Redeemable Preferred Stock<br>Series A (B)   | 678 shs.   | 09/02/08            | 6,630               | 18,222         |
| Warrant, exercisable until 2018,<br>to purchase<br>common stock at \$.01 per share<br>(B)                                      | 6,778 shs.   | 09/02/08            | 59,661<br>1,390,760 | -<br>1,429,234 |
| <b>THI Acquisition, Inc.</b>   |  |                     |                     |                |
| A machine servicing company providing value-added steel services to long steel products.                                       |  |                     |                     |                |
| Warrant, exercisable until 2016,<br>to purchase<br>common stock at \$.01 per share<br>(B)                                      | 5 shs.   | 01/14/08            | 46,617              | 115,892        |

Telecorps Holdings, Inc.

A provider of equipment and services to producers of television shows and motion pictures.

12.75% Senior Subordinated

|   |              |          |           |         |
|---|--------------|----------|-----------|---------|
| Note due 2016   | \$ 1,681,677 | *        | 1,485,130 | 252,252 |
| Common Stock (B)  | 143 shs.     | 09/02/09 | 5,823     | -       |
| Warrant, exercisable until 2019,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 4,187 shs.   | *        | 173,349   | -       |
| * 05/20/09 and 09/02/09.  |              |          | 1,664,302 | 252,252 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|--|---|------------------|-----------|------------|
| <b>Terra Renewal LLC</b>   |   |                  |           |            |
| A provider of wastewater residual management and required environmental reporting, permitting, nutrient management planning and record keeping to companies involved in poultry and food processing. |   |                  |           |            |
| 12% Senior Subordinated Note due 2014 (D)  | \$664,062   | *                | \$644,369 | \$332,031  |
| 6.79% Term Note due 2012 (C)   | \$14  | *                | 14        | 12         |
| 8.7% Term Note due 2012 (C)  | \$777,361   | 05/31/11         | 777,361   | 699,625    |
| Common Stock Class B   | 32 shs.   | *                | -         | -          |
| <b>Limited Partnership Interest of</b>   |   |                  |           |            |
| <b>Saw Mill Capital Fund V, LLC (B)</b>  |   |                  |           |            |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)   | 41 shs.   | 04/28/06         | 33,738    | -          |
| * 04/28/06 and 09/13/06. **03/01/05 and 10/10/08.  |   |                  | 1,540,727 | 1,031,668  |
| <b>Torrent Group Holdings, Inc.</b>  |   |                  |           |            |
| A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow.   |   |                  |           |            |
| 14.5% Senior Subordinated Note due 2013 (D)  | \$ 1,300,003  | 10/26/07         | 1,136,835 | -          |
| Series B Preferred Stock (B)   | 97 shs.   | 03/31/10         | -         | -          |
| Common Stock (B)   | 273 shs.  | 03/31/10         | 219,203   | -          |
|  |   |                  | 1,356,038 | -          |
| <b>Transpac Holding Company</b>  |   |                  |           |            |
| A designer, importer, and wholesaler of home décor and seasonal gift products.   |   |                  |           |            |
| 12% Senior Subordinated Note due 2015 (D)  | \$ 938,651  | 10/31/07         | 876,087   | 934,803    |
| Common Stock (B)   | 110 shs.  | 10/31/07         | 110,430   | 47,825     |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)   | 50 shs.   | 10/31/07         | 46,380    | 21,593     |
|  |   |                  | 1,032,897 | 1,004,221  |
| <b>Tranzonic Companies (The)</b>   |   |                  |           |            |
| A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.                             |   |                  |           |            |
| 13% Senior Subordinated Note due 2013  | \$ 1,356,000  | 02/05/98         | 1,345,182 | 1,356,000  |

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|   |          |          |           |           |
|---|----------|----------|-----------|-----------|
| Common Stock (B)  | 315 shs. | 02/04/98 | 315,000   | 272,466   |
| Warrant, exercisable until 2013, to purchase<br>common stock at \$.01 per share (B) | 222 shs. | 02/05/98 | 184,416   | 192,024   |
|   |          |          | 1,844,598 | 1,820,490 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)  | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost         | Fair Value   |
|---|---|------------------|--------------|--------------|
| <b>Truck Bodies &amp; Equipment International</b>   |   |                  |              |              |
| A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, hoists, various forms of flat-bed bodies, landscape bodies and other accessories. |   |                  |              |              |
| 12% Senior Subordinated Note due 2014 (D)   |   |                  |              |              |
| \$ 1,222,698  | *   |                  | \$ 1,100,428 | \$ 1,161,563 |
| Preferred Stock Series B (B)  | 128 shs.  | 10/20/08         | 127,677      | -            |
| Common Stock (B)  | 393 shs.  | *                | 423,985      | -            |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)  |   |                  |              |              |
|   | 81 shs.   | *                | 84,650       | -            |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)  |   |                  |              |              |
|   | 558 shs.  | 10/20/08         | -            | -            |
| * 07/19/05 and 12/22/05.  |   |                  |              |              |
|   |   |                  | 1,736,740    | 1,161,563    |
| <b>TruStile Doors, Inc.</b>   |   |                  |              |              |
| A manufacturer and distributor of interior doors.   |   |                  |              |              |
| Limited Liability Company Unit  | 5,888 uts.  | 02/28/11         | 125,000      | 118,750      |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)  |   |                  |              |              |
|   | 3,060 shs.  | 04/11/03         | 36,032       | -            |
|   |   |                  | 161,032      | 118,750      |
| <b>U M A Enterprises, Inc.</b>  |   |                  |              |              |
| An importer and wholesaler of home décor products.  |   |                  |              |              |
| 15% Senior Subordinated Note due 2015   |   |                  |              |              |
| \$ 974,534  |   | 02/08/08         | 961,024      | 974,534      |
| Convertible Preferred Stock (B)   | 470 shs.  | 02/08/08         | 469,565      | 390,500      |
|   |   |                  | 1,430,589    | 1,365,034    |

U-Line Corporation

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A manufacturer of high-end, built-in, undercounter ice making, wine storage and refrigeration appliances.

12.5% Senior Subordinated

|   |            |          |                    |                   |
|---|------------|----------|--------------------|-------------------|
| Note due 2012   | \$ 473,338 | 04/30/04 | 463,424            | 473,338           |
| Common Stock (B)  | 96 shs.    | 04/30/04 | 96,400             | 31,347            |
| Warrant, exercisable until 2012,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 122 shs.   | 04/30/04 | 112,106<br>671,930 | 39,672<br>544,357 |

Visioneering, Inc.

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

10.5% Senior Secured Term

|   |             |          |                   |              |
|---|-------------|----------|-------------------|--------------|
| Loan due 2013   | \$ 451,765  | 05/17/07 | 449,879           | 426,979      |
| 13% Senior Subordinated Note<br>due 2014  | \$ 370,588  | 05/17/07 | 349,435           | 342,068      |
| 18% PIK Convertible Preferred<br>Stock (B)  | 21,361 shs. | 03/13/09 | 41,440            | -            |
| Common Stock (B)  | 70,588 shs. | 05/17/07 | 70,588            | -            |
| Warrant, exercisable until 2014,<br>to purchase<br>common stock at \$.01 per share<br>(B) | 20,003 shs. | 05/17/07 | 31,460<br>942,802 | -<br>769,047 |



## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued)   | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost      | Fair Value |
|--|---|------------------|-----------|------------|
| <b>Vitex Packaging Group, Inc.</b>   |   |                  |           |            |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags.                                  |   |                  |           |            |
| 10% Senior Subordinated PIK Note due 2011  | \$96,518  | 10/29/09         | \$93,533  | \$93,995   |
| 5% Senior Subordinated PIK Note due 2011 (D)   | \$450,000   | 06/30/07         | 392,576   | 444,463    |
| Class B Unit (B)   | 406,525 uts.  | 10/29/09         | 184,266   | -          |
| Class C Unit (B)   | 450,000 uts.  | 10/29/09         | 413,244   | 178,637    |
| Limited Liability Company Unit Class A (B)   | 383,011 uts.  | *                | 229,353   | -          |
| Limited Liability Company Unit Class B (B)   | 96,848 uts.   | 07/19/04         | 96,848    | -          |
| * 07/19/04 and 10/29/09.   |   |                  | 1,409,820 | 717,095    |
| <b>Wellborn Forest Holding Company</b>   |   |                  |           |            |
| A manufacturer of semi-custom kitchen and bath cabinetry.  |   |                  |           |            |
| 12.13% Senior Subordinated Note due 2014   | \$911,250   | 11/30/06         | 877,531   | 846,561    |
| Common Stock (B)   | 101 shs.  | 11/30/06         | 101,250   | 24,643     |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)                                       | 51 shs.   | 11/30/06         | 45,790    | 12,303     |
|  |   |                  | 1,024,571 | 883,507    |
| <b>Wheaton Holding Corporation</b>   |   |                  |           |            |
| A distributor and manufacturer of laboratory supply products and packaging.  |   |                  |           |            |
| 13% Senior Subordinated Note due 2017  | \$1,000,000   | 06/08/10         | 917,844   | 1,015,000  |
| Preferred Stock Series B (B)   | 703 shs.  | 06/08/10         | 70,308    | 23,877     |
| Common Stock (B)   | 353 shs.  | 06/08/10         | 353       | 11,973     |
|  |   |                  | 988,505   | 1,050,850  |
| <b>Whitcraft Holdings, Inc.</b>  |   |                  |           |            |
| A leading independent manufacturer of precision formed, machined, and fabricated flight-critical aerospace components. |   |                  |           |            |
| 12% Senior Subordinated Note due 2018  | \$794,521   | 12/16/10         | 731,825   | 792,197    |
| Common Stock (B)   | 205 shs.  | 12/16/10         | 205,480   | 195,206    |
| Warrant, exercisable until 2015, to purchase common stock at \$.02 per share (B)                                       | 55 shs.   | 12/16/10         | 49,334    | 1          |
|  |   |                  | 986,639   | 987,404    |

Workplace Media Holding Company

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

|  |             |          |         |         |
|--|-------------|----------|---------|---------|
| 13% Senior Subordinated Note due 2015 (D)  | \$654,247   | 05/14/07 | 601,454 | 327,123 |
| Limited Partnership Interest (B)   | 12.26% int. | 05/14/07 | 61,308  | -       |
| Warrant, exercisable until 2015, to purchase common stock at \$.02 per share (B) |             |          |         |         |
|  | 47 shs.     | 05/14/07 | 44,186  | -       |
|  |             |          | 706,948 | 327,123 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS  
(CONTINUED)  
June 30, 2011  
(Unaudited)

## MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued)   | Principal<br>Amount,<br>Shares,<br>Units or<br>Ownership<br>Percentage | Acquisition<br>Date | Cost                 | Fair<br>Value        |
|--|--|---------------------|----------------------|----------------------|
| Xaloy Superior Holdings, Inc.<br>A provider of melt processing components and ancillary equipment for both plastic injection molding and extrusion applications. |  |                     |                      |                      |
| 15.5% Senior Subordinated Note due 2015 (D)  | \$ 1,576,419   | 09/08/08            | \$ 1,533,046         | \$ 1,544,228         |
| Common Stock (B)   | 150 shs.   | 09/08/08            | 150,000<br>1,683,046 | 178,772<br>1,723,000 |
| Total Private Placement Investments (E)  |  |                     | \$ 115,798,217       | \$ 107,379,676       |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

|                                       | Interest | Due      | Shares or  |                | Market         |
|---------------------------------------|----------|----------|------------|----------------|----------------|
|                                       | Rate     | Date     | Principal  | Cost           | Value          |
| Corporate Restricted Securities: (A)  |          |          |            |                |                |
| (Continued)                           |          |          |            |                |                |
| Rule 144A Securities - 2.67%:         |          |          |            |                |                |
| Bonds -2.67%                          |          |          |            |                |                |
| ArcelorMittal                         | 6.125 %  | 06/01/18 | \$ 500,000 | \$ 517,610     | \$ 535,539     |
| Citigroup, Inc.                       | 7.000    | 05/04/15 | 500,000    | 507,254        | 500,625        |
| Clean Harbors, Inc.                   | 7.625    | 08/18/14 | 20,000     | 20,862         | 21,200         |
| Coffeyville Resources LLC             | 9.000    | 04/01/15 | 62,000     | 61,760         | 67,270         |
| First Data Corporation                | 7.375    | 06/15/19 | 250,000    | 250,000        | 251,875        |
| FMG Resources                         | 7.000    | 11/01/15 | 250,000    | 260,400        | 255,000        |
| Hertz Corporation                     | 6.750    | 04/15/19 | 250,000    | 246,107        | 247,500        |
| International Automotive Component    | 9.125    | 06/01/18 | 250,000    | 250,000        | 255,625        |
| NBC Universal                         | 5.150    | 04/30/20 | 500,000    | 499,357        | 527,951        |
| Nexeo Solutions LLC                   | 8.375    | 03/01/18 | 20,000     | 20,000         | 20,250         |
| Pittsburgh Glass Works, LLC           | 8.500    | 04/15/16 | 35,000     | 35,000         | 35,963         |
| Seagate HDD Cayman                    | 7.000    | 11/01/21 | 150,000    | 150,000        | 150,000        |
| Thermadyne Holdings Corporation       | 9.000    | 12/15/17 | 250,000    | 268,116        | 261,250        |
| Valeant Pharmaceuticals International | 7.000    | 10/01/20 | 250,000    | 250,918        | 241,875        |
| Total Bonds                           |          |          |            | 3,337,384      | 3,371,923      |
| Convertible Preferred Stock - 0.00%   |          |          |            |                |                |
| ETEX Corporation (B)                  |          |          | 194        | -              | -              |
| Total Convertible Preferred Stock     |          |          |            | -              | -              |
| Preferred Stock - 0.00%               |          |          |            |                |                |
| TherOX, Inc. (B)                      |          |          | 26         | -              | -              |
| Total Preferred Stock                 |          |          |            | -              | -              |
| Common Stock - 0.00%                  |          |          |            |                |                |
| Touchstone Health Partnership (B)     |          |          | 292        | -              | -              |
| Total Common Stock                    |          |          |            | -              | -              |
| Total Rule 144A Securities            |          |          |            | 3,337,384      | 3,371,923      |
| Total Corporate Restricted Securities |          |          |            | \$ 119,135,601 | \$ 110,751,599 |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

MassMutual Participation Investors

June 30, 2011

(Unaudited)

| Corporate Public Securities - 10.44%:<br>(A) | Interest<br>Rate | Due<br>Date | Principal<br>Amount | Cost       | Market<br>Value |
|--|------------------|-------------|---------------------|------------|-----------------|
| Bonds - 10.42%                               |                  |             |                     |            |                 |
| Affinia Group, Inc.                          | 9.000 %          | 11/30/14    | \$ 25,000           | \$ 24,457  | \$ 25,375       |
| Alcoa, Inc.                                  | 6.150            | 08/18/20    | 600,000             | 634,332    | 635,630         |
| Alere, Inc.                                  | 9.000            | 05/15/16    | 300,000             | 320,523    | 312,375         |
| Anglogold Holdings PLC                       | 5.375            | 04/15/20    | 600,000             | 606,137    | 590,767         |
| Bank of America Corporation                  | 5.875            | 01/05/21    | 600,000             | 626,573    | 629,685         |
| B E Aerospace, Inc.                          | 6.875            | 10/01/20    | 250,000             | 257,643    | 261,875         |
| Centurytel, Inc.                             | 5.000            | 02/15/15    | 500,000             | 512,462    | 518,889         |
| C R H America, Inc.                          | 5.300            | 10/15/13    | 500,000             | 458,226    | 535,066         |
| Citigroup, Inc.                              | 5.500            | 04/11/13    | 500,000             | 472,615    | 530,838         |
| Ensco PLC                                    | 3.250            | 03/15/16    | 600,000             | 597,886    | 609,213         |
| Equifax, Inc.                                | 4.450            | 12/01/14    | 500,000             | 513,654    | 535,830         |
| GATX Corporation                             | 4.750            | 05/15/15    | 500,000             | 509,260    | 530,485         |
| General Electric Capital Corporation         | 5.500            | 01/08/20    | 500,000             | 498,262    | 535,449         |
| Goldman Sachs Group, Inc.                    | 4.750            | 07/15/13    | 500,000             | 461,093    | 527,816         |
| Headwaters, Inc.                             | 7.625            | 04/01/19    | 305,000             | 305,164    | 277,550         |
| Health Management Association                | 6.125            | 04/15/16    | 250,000             | 258,951    | 259,375         |
| International Game Technology                | 7.500            | 06/15/19    | 500,000             | 499,761    | 571,644         |
| Johnson Controls, Inc.                       | 5.500            | 01/15/16    | 500,000             | 426,945    | 560,659         |
| Kraft Foods, Inc.                            | 5.375            | 02/10/20    | 500,000             | 515,584    | 546,599         |
| Masco Corporation                            | 7.125            | 03/15/20    | 350,000             | 349,994    | 358,273         |
| Morgan Stanley                               | 5.500            | 01/26/20    | 500,000             | 497,600    | 506,516         |
| Precision Drilling Corporation               | 6.625            | 11/15/20    | 250,000             | 258,556    | 253,125         |
| Qwest Diagnostic, Inc.                       | 4.750            | 01/30/20    | 500,000             | 498,816    | 517,093         |
| Sealed Air Corporation                       | 7.875            | 06/15/17    | 500,000             | 493,504    | 541,059         |
| Sprint Nextel Corporation                    | 6.000            | 12/01/16    | 500,000             | 515,514    | 499,375         |
| Steelcase, Inc.                              | 6.375            | 02/15/21    | 500,000             | 508,531    | 520,235         |
| Time Warner Cable, Inc.                      | 5.000            | 02/01/20    | 500,000             | 490,926    | 519,472         |
| Tyco International Group SA                  | 8.500            | 01/15/19    | 125,000             | 124,998    | 158,464         |
| Tutor Perini Corporation                     | 7.625            | 11/01/18    | 300,000             | 309,455    | 288,000         |
| Total Bonds                                  |                  |             |                     | 12,547,422 | 13,156,732      |

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

| Corporate Public Securities: (A) (Continued) | Shares                           | Cost         | Value            |                |                |
|--|----------------------------------|--------------|------------------|----------------|----------------|
| Common Stock - 0.02%                         |                                  |              |                  |                |                |
| Intrepid Potash, Inc. (B)                    | 185                              | \$5,920      | \$6,013          |                |                |
| Nortek, Inc. (B)                             | 100                              | 1            | 3,599            |                |                |
| Rue21, Inc. (B)                              | 350                              | 6,650        | 11,375           |                |                |
| Total Common Stock                           |                                  | 12,571       | 20,987           |                |                |
| <br>   |                                  |              |                  |                |                |
| Total Corporate Public Securities            |                                  | \$12,559,993 | \$13,177,719     |                |                |
| <br>   |                                  |              |                  |                |                |
| Short-Term Securities:                       | Interest Rate/Yield <sup>^</sup> | Due Date     | Principal Amount | Cost           | Market Value   |
| Commercial Paper - 5.54%                     |                                  |              |                  |                |                |
| Autozone, Inc.                               | 0.300%                           | 07/06/11     | \$ 1,500,000     | \$ 1,499,938   | \$ 1,499,938   |
| Enbridge Energy Partners                     | 0.300                            | 07/05/11     | 2,000,000        | 1,999,933      | 1,999,933      |
| Ryder System, Inc.                           | 0.300                            | 07/01/11     | 1,500,000        | 1,500,000      | 1,500,000      |
| Virginia Electric Power                      | 0.310                            | 07/06/11     | 2,000,000        | 1,999,914      | 1,999,914      |
| Total Short-Term Securities                  |                                  |              |                  | \$ 6,999,785   | \$ 6,999,785   |
| <br>   |                                  |              |                  |                |                |
| Total Investments                            | 103.70%                          |              |                  | \$ 138,695,379 | \$ 130,929,103 |
| Other Assets                                 | 6.57                             |              |                  |                | 8,295,827      |
| Liabilities                                  | (10.27)                          |              |                  |                | (12,968,290)   |
| Total Net Assets                             | 100.00%                          |              |                  |                | \$ 126,256,640 |

(A) In each of the convertible note, warrant, 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 June 30, 2011.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of June 30, 2011, the values of these securities amounted to \$107,379,676 or 85.05% of net assets.

<sup>^</sup> Effective yield at purchase

PIK - Payment-in-kind

## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

MassMutual Participation Investors

| Industry Classification:                 | Fair Value/<br>Market Value |  | Fair Value/<br>Market Value |
|--|-----------------------------|--|-----------------------------|
|  |                             | <b>BUILDINGS &amp; REAL ESTATE -</b>   |                             |
| <b>AEROSPACE - 2.99%</b>                 |                             | <b>2.66%</b>                           |                             |
| A E Company, Inc.                        | \$ 1,756,580                | K W P I Holdings Corporation           | \$ 1,584,731                |
| B E Aerospace, Inc.                      | 261,875                     | Masco Corporation                      | 358,273                     |
| Visioneering, Inc.                       | 769,047                     | Sunrise Windows Holding Company        | 1,010,340                   |
| Whitcraft Holdings, Inc.                 | 987,404                     | TruStile Doors, Inc.                   | 118,750                     |
|  | 3,774,906                   | Tutor Perini Corporation               | 288,000                     |
| <b>AUTOMOBILE - 3.65%</b>                |                             |  | <b>3,360,094</b>            |
|  |                             | <b>CHEMICAL, PLASTICS &amp;</b>        |                             |
| F H Equity LLC                           | 513,123                     | <b>RUBBER - 0.87%</b>                  |                             |
| International Automotive Component       | 255,625                     | Capital Specialty Plastics, Inc.       | 600,006                     |
| J A C Holding Enterprises, Inc.          | 946,361                     | Nicoat Acquisitions LLC                | 495,352                     |
| Jason Partners Holdings LLC              | 25,511                      |  | 1,095,358                   |
| Johnson Controls, Inc.                   | 560,659                     | <b>CONSUMER PRODUCTS - 9.24%</b>       |                             |
| Nyloncraft, Inc.                         | 1,166,758                   | Aero Holdings, Inc.                    | 1,717,558                   |
| Ontario Drive & Gear Ltd.                | 726,784                     | Bravo Sports Holding Corporation       | 1,301,258                   |
| Pittsburgh Glass Works, LLC              | 35,963                      | Custom Engineered Wheels, Inc.         | 1,325,153                   |
| Qualis Automotive LLC                    | 377,213                     | K N B Holdings Corporation             | 2,147,662                   |
|  | 4,607,997                   | Manhattan Beachwear Holding<br>Company | 1,595,049                   |
| <b>BEVERAGE, DRUG &amp; FOOD - 5.82%</b> |                             | Momentum Holding Company               | 377,507                     |
| Eatem Holding Company                    | 1,054,100                   | R A J Manufacturing Holdings LLC       | 1,377,402                   |
| F F C Holding Corporation                | 1,020,094                   | Tranzonic Companies (The)              | 1,820,490                   |
| Golden County Foods Holding, Inc.        | -                           |  | 11,662,079                  |
|  |                             | <b>CONTAINERS, PACKAGING &amp;</b>     |                             |
| Hospitality Mints Holding Company        | 1,313,989                   | <b>GLASS - 4.62%</b>                   |                             |
| Kraft Foods, Inc.                        | 546,599                     | Flutes, Inc.                           | 498,551                     |
| Snacks Parent Corporation                | 1,025,326                   | P K C Holding Corporation              | 1,852,115                   |
| Spartan Foods Holding Company            | 911,250                     | P P T Holdings LLC                     | 1,009,665                   |
| Specialty Commodities, Inc.              | 1,473,438                   | Paradigm Packaging, Inc.               | 1,217,286                   |
|  | 7,344,796                   | Sealed Air Corporations                | 541,059                     |
| <b>BROADCASTING &amp;</b>                |                             |  |                             |
| <b>ENTERTAINMENT - 1.29%</b>             |                             | Vitex Packaging Group, Inc.            | 717,095                     |
| NBC Universal                            | 527,951                     |  | 5,835,771                   |
| Time Warner Cable, Inc.                  | 519,472                     | <b>DISTRIBUTION - 1.82%</b>            |                             |
| Sundance Investco LLC                    | -                           | Duncan Systems, Inc.                   | 797,498                     |
| Telecorps Holdings, Inc.                 | 252,252                     | F C X Holdings Corporation             | 1,504,883                   |
| Workplace Media Holding Company          | 327,123                     |  | 2,302,381                   |
|  | 1,626,798                   |  |                             |





## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

(Unaudited)

| Industry Classification: (Continued)      | Fair Value/<br>Market<br>Value |   | Fair Value/<br>Market<br>Value |
|---|--------------------------------|---|--------------------------------|
| <b>DIVERSIFIED/CONGLOMERATE,</b>          |                                |   |                                |
| <b>MANUFACTURING - 12.71%</b>             |                                |   |                                |
| A H C Holding Company, Inc.               | \$ 1,546,545                   | <b>ELECTRONICS - 1.08%</b>  |                                |
| Arrow Tru-Line Holdings, Inc.             | 632,415                        | Barcodes Group, Inc.  | \$ 788,152                     |
| C D N T, Inc.                             | 792,122                        | Connecticut Electric, Inc.  | 578,288                        |
| F G I Equity LLC                          | 511,191                        |   | 1,366,440                      |
| G C Holdings                              | 1,020,562                      | <b>FINANCIAL SERVICES - 2.48%</b>   |                                |
| K P H I Holdings, Inc.                    | 993,109                        | Citigroup, Inc.   | 1,031,463                      |
| K P I Holdings, Inc.                      | 1,428,703                      | GATX Corporation  | 530,485                        |
| MEGTEC Holdings, Inc.                     | 1,571,522                      | General Electric Capital Corporation  | 535,449                        |
| Milwaukee Gear Company                    | 1,480,437                      | Goldman Sachs Group, Inc.   | 527,816                        |
| Nortek, Inc.                              | 3,599                          | Morgan Stanley  | 506,516                        |
| O E C Holding Corporation                 | 494,689                        |   | 3,131,729                      |
| Postle Aluminum Company LLC               | 2,689,626                      |   |                                |
| Truck Bodies & Equipment<br>International | 1,161,563                      | <b>HEALTHCARE, EDUCATION &amp; CHILDCARE - 4.97%</b>  |                                |
| Xaloy Superior Holdings, Inc.             | 1,723,000                      | Alere, Inc.   | 312,375                        |
|   | 16,049,083                     | American Hospice Management Holding LLC   | 2,209,410                      |
|   |                                | CHG Alternative Education Holding Company   | 753,563                        |
| <b>DIVERSIFIED/CONGLOMERATE,</b>          |                                |   |                                |
| <b>SERVICE - 12.42%</b>                   |                                |   |                                |
| A S C Group, Inc.                         | 1,674,754                      | Qwest Diagnostic, Inc.  | 517,093                        |
| A W X Holdings Corporation                | 315,000                        | Synteract Holdings Corporation  | 1,429,234                      |
| Advanced Technologies Holdings            | 1,621,861                      | Wheaton Holding Corporation   | 1,050,850                      |
| Affinia Group, Inc.                       | 25,375                         |   | 6,272,525                      |
| Anglogold Holdings PLC                    | 590,767                        | <b>HOME &amp; OFFICE FURNISHINGS, HOUSEWARES,<br/>AND DURABLE CONSUMER PRODUCTS - 7.84%</b> |                                |
| Apex Analytix Holding Corporation         | 1,298,752                      | Connor Sport Court International, Inc.  | 1,384,224                      |
| Associated Diversified Services           | 682,026                        | H M Holding Company   | 181,350                        |
| Bank of America Corporation               | 629,685                        | Home Décor Holding Company  | 1,290,129                      |
| C R H America, Inc.                       | 535,066                        | K H O F Holdings, Inc.  | 139,222                        |
| Clough, Harbour and Associates            | 1,462,379                      | Monessen Holding Corporation  | 884,856                        |
| Crane Rental Corporation                  | 1,186,187                      | Royal Baths Manufacturing Company   | 309,824                        |
| Equifax, Inc.                             | 535,830                        | Stanton Carpet Holding Company  | 1,385,889                      |
| Insurance Claims Management, Inc.         | 220,193                        | Steelcase, Inc.   | 520,235                        |
| Mail Communications Group, Inc.           | 726,900                        | Transpac Holding Company  | 1,004,221                      |
| Nesco Holdings Corporation                | 2,207,355                      | U M A Enterprises, Inc.   | 1,365,034                      |
| Nexeo Solutions LLC                       | 20,250                         | U-Line Corporation  | 544,357                        |
| Northwest Mailing Services, Inc.          | 1,793,835                      | Wellborn Forest Holding Company   | 883,507                        |
| Pearlman Enterprises, Inc.                | -                              |   |                                |

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|                             |            |   |           |
|-----------------------------|------------|---|-----------|
| Tyco International Group SA | 158,464    |   | 9,892,848 |
|                             | 15,684,679 |   |           |
|                             |            | LEISURE, AMUSEMENT, ENTERTAINMENT - 1.82% |           |
|                             |            | International Game Technology             | 571,644   |
|                             |            | Savage Sports Holding, Inc.               | 1,727,596 |
|                             |            |   | 2,299,240 |

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## CONSOLIDATED SCHEDULE OF INVESTMENTS

(CONTINUED)

June 30, 2011

(Unaudited)

## MassMutual Participation Investors

| Industry Classification: (Continued)                                 | Fair Value/<br>Market Value |                                     | Fair Value/<br>Market Value |
|--|-----------------------------|-------------------------------------|-----------------------------|
| <b>MACHINERY - 7.27%</b>   |                             | <b>OIL &amp; GAS - 4.46%</b>        |                             |
| A S A P Industries LLC   | \$ 875,460                  | Coffeyville Resources LLC           | \$ 67,270                   |
| Davis-Standard LLC   | 1,176,395                   | Enbridge Energy Partners            | 1,999,933                   |
| E S P Holdco, Inc.   | 1,326,501                   | Ensco PLC                           | 609,213                     |
| M V I Holding, Inc.  | 594,979                     | International Offshore Services LLC | 1,385,783                   |
| Motion Controls Holdings   | 1,009,048                   | MBWS Ultimate Holdco, Inc.          | 1,312,808                   |
| NetShape Technologies, Inc.  | 497,567                     | Precision Drilling Corporation      | 253,125                     |
| Pacific Consolidated Holdings LLC                                    | 664,141                     |                                     | 5,628,132                   |
| Power Services Holding Company                                       | 1,365,979                   | <b>PHARMACEUTICALS - 1.51%</b>      |                             |
| R E I Delaware Holding, Inc.   | 1,410,538                   | CorePharma LLC                      | 1,660,291                   |
|  |                             | Valeant Pharmaceuticals             |                             |
| Thermadyne Holdings Corporation                                      | 261,250                     | International                       | 241,875                     |
|  | 9,181,858                   |                                     | 1,902,166                   |
| <b>MEDICAL<br/>DEVICES/BIOTECH -<br/>4.53%</b>                       |                             | <b>RETAIL STORES - 1.20%</b>        |                             |
| Coeur, Inc.  | 682,162                     | Autozone, Inc.                      | 1,499,938                   |
| E X C Acquisition<br>Corporation                                     | 76,948                      | Rue21, Inc.                         | 11,375                      |
| ETEX Corporation   | -                           |                                     | 1,511,313                   |
| Health Managment<br>Association                                      | 259,375                     |                                     |                             |
| MedSystems Holdings LLC  | 745,260                     | <b>TECHNOLOGY - 1.84%</b>           |                             |
| MicroGroup, Inc.   | 1,137,436                   | First Data Corporation              | 251,875                     |
| NT Holding Company   | 1,000,094                   | Seagate HDD Cayman                  | 150,000                     |
| OakRiver Technology, Inc.  | 320,699                     | Sencore Holding Company             | 467,308                     |
| Precision Wire Holding<br>Company                                    | 1,495,963                   | Smart Source Holdings LLC           | 1,459,016                   |
| TherOX, Inc.   | -                           |                                     | 2,328,199                   |
|  | 5,717,937                   |                                     |                             |
|  |                             | <b>TELECOMMUNICATIONS - 1.37%</b>   |                             |
| <b>MINING, STEEL, IRON &amp;<br/>NON-PRECIOUS METALS -<br/>0.80%</b> |                             | All Current Holding Company         | 708,604                     |
| Alcoa, Inc.  | 635,630                     | Centurytel, Inc.                    | 518,889                     |
| FMG Resources  | 255,000                     | Sprint Nextel Corporation           | 499,375                     |
| T H I Acquisition, Inc.  | 115,892                     |                                     | 1,726,868                   |
|  | 1,006,522                   |                                     |                             |
| <b>NATURAL RESOURCES<br/>- 2.23%</b>                                 |                             | <b>TRANSPORTATION - 1.38%</b>       |                             |

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|                         |           |                                      |                |
|-------------------------|-----------|--------------------------------------|----------------|
| ArcelorMittal           | 535,539   | Hertz Corporation                    | 247,500        |
| Headwaters, Inc.        | 277,550   | NABCO, Inc.                          | -              |
| Intrepid Potash, Inc.   | 6,013     | Ryder System, Inc.                   | 1,500,000      |
| Virginia Electric Power | 1,999,914 |                                      | 1,747,500      |
|                         | 2,819,016 |                                      |                |
|                         |           | WASTE MANAGEMENT / POLLUTION - 0.83% |                |
|                         |           | Clean Harbors, Inc.                  | 21,200         |
|                         |           | Terra Renewal LLC                    | 1,031,668      |
|                         |           | Torrent Group Holdings, Inc.         | -              |
|                         |           |                                      | 1,052,868      |
|                         |           | Total Investments - 103.70%          | \$ 130,929,103 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

### 1. History

MassMutual Participation Investors (the "Trust") was organized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated April 7, 1988.

The Trust is a diversified closed-end management investment company. Babson Capital Management LLC ("Babson Capital"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), acts as its investment adviser. 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 capital. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

On January 27, 1998, the Board of Trustees authorized the formation of a wholly-owned subsidiary of the Trust ("MMPI Subsidiary Trust") for the purpose of holding certain investments. The results of MMPI Subsidiary Trust are consolidated in the accompanying financial statements. Footnote 2.D below discusses the Federal tax consequences of the MMPI Subsidiary Trust.

### 2. Significant Accounting Policies

The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of its consolidated financial statements in

The value of restricted securities at fair value, and of any other assets for which there are no reliable market quotations, is the fair value as determined in good faith by the Trust's Board of Trustees (the "Trustees"). Each restricted security is valued by the Trustees at the time of its acquisition and at least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities are initially valued at cost at the time of acquisition by the Trust. Values greater or less than cost are used thereafter for restricted securities in appropriate circumstances. Among the factors ordinarily considered in the valuation of debt and equity securities at fair value are the results of various valuation methods, which may include comparable company valuation analyses, discounted future cash flow models and recent private transactions. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments: the enterprise value of a portfolio company (an estimate of the total fair value of the portfolio company's debt and equity), the portfolio company's earnings, the markets in which the portfolio company does business, a comparison of the portfolio company's securities to publicly traded securities, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors. Consideration is also given to corporate governance, marketability, company and industry results and outlooks, and general market conditions. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the price used by other investors or the price that may be realized on the actual sale of the security. All of these factors are in accordance with the authoritative guidance on fair value measurements under accounting principles generally accepted in the United States of America ("U.S. GAAP"). In making valuations, opinions of counsel may be relied upon as to whether or not securities are restricted securities and as to the legal requirements for public sale.

When market quotations are readily available for unrestricted securities of an issuer, restricted securities of the same class are generally valued at a discount

conformity with accounting principles generally accepted in the United States of America.

A. Valuation of Investments:

Nearly all securities which are acquired by the Trust directly from the issuers and shares into which such securities may be converted or which may be purchased on the exercise of warrants attached to such securities will be subject to legal or contractual delays in, or restrictions on, resale and will therefore be "restricted securities." Generally speaking, as contrasted with open-market sales of unrestricted securities (public securities), which may be effected immediately if the market is adequate, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933 Act") or pursuant to a transaction that is exempt from registration under the 1933 Act. Restricted securities that are valued using public information, such as observable trades or market quotations, are reflected as restricted securities at market value. Valuation of securities in the Trust's portfolio is made on the basis of the market price whenever market quotations are readily available.

from the market price of such unrestricted securities. The Trustees, however, consider all factors in fixing any discount, including the filing of a registration statement for such securities under the 1933 Act and any other developments which are likely to increase the probability that the securities may be publicly sold by the Trust without restriction.

The Trustees meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital. In making valuations, the Trustees will consider reports by Babson Capital analyzing each portfolio security in accordance with the relevant factors referred to above. Babson Capital has agreed to provide such reports to the Trust at least quarterly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)MassMutual Participation  
Investors

(Unaudited)

The consolidated financial statements include private placement restricted securities valued at \$107,379,676 (85.05% of net assets) as of June 30, 2011 whose values have been estimated by the Trustees in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

The values for Rule 144A restricted securities and corporate public securities are stated at the last reported sales price or at prices based upon quotations obtained from brokers and dealers as of June 30, 2011, subject to discount where appropriate, and are approved by the Trustees.

Short-term securities with more than sixty days to maturity are valued at fair value and short-term securities having a maturity of sixty days or less are valued at amortized cost, which approximates market value.

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Trust discloses the fair value of its investments in a hierarchy that prioritizes the inputs to

valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy 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 inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Trust's net assets as of June 30, 2011:

| Assets:               | Total          | Level 1   | Level 2       | Level 3        |
|-----------------------|----------------|-----------|---------------|----------------|
| Restricted Securities |                |           |               |                |
| Corporate Bonds       | \$ 90,635,801  | \$ -      | \$ 3,371,923  | \$ 87,263,878  |
| Common Stock - U.S.   | 9,177,906      | -         | -             | 9,177,906      |
| Preferred Stock       | 5,461,498      | -         | -             | 5,461,498      |
| Partnerships and LLCs | 5,476,394      | -         | -             | 5,476,394      |
| Public Securities     |                |           |               |                |
| Corporate Bonds       | 13,156,732     | -         | 13,156,732    | -              |
| Common Stock - U.S.   | 20,987         | 20,987    | -             | -              |
| Preferred Stock       | -              | -         | -             | -              |
| Short-term Securities | 6,999,785      | -         | 6,999,785     | -              |
| Total                 | \$ 130,929,103 | \$ 20,987 | \$ 23,528,440 | \$ 107,379,676 |





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

|                          | Beginning<br>balance<br>at 12/31/2010 | Accrued<br>discounts/<br>premium | Total gains<br>or losses<br>realized/<br>unrealized | Purchases   | Sales          | Transfers<br>in<br>and/or<br>out<br>of<br>Level<br>3 | Ending<br>balance at<br>06/30/2011 | Unrealized<br>gains &<br>losses in net<br>income<br>from assets<br>still held |
|--------------------------|---------------------------------------|----------------------------------|---|-------------|----------------|--|------------------------------------|---|
| Assets:                  |                                       |                                  |   |             |                |  |                                    |   |
| Restricted<br>Securities |                                       |                                  |   |             |                |  |                                    |   |
| Corporate<br>Bonds       | \$91,475,704                          | \$341,736                        | \$(1,754,750)                                       | \$7,958,078 | \$(10,756,890) | \$-  | \$87,263,878                       | \$(1,945,802)   |
| Common<br>Stock - U.S.   | 7,253,164                             | -                                | 2,087,097   | 272,498     | (434,853)      | -  | 9,177,906                          | 1,936,680   |
| Preferred<br>Stock       | 4,615,621                             | -                                | 527,930   | 328,347     | (10,400)       | -  | 5,461,498                          | 517,530   |
| Partnerships<br>and LLCs | 4,162,642                             | -                                | 1,140,302   | 218,030     | (44,580)       | -  | 5,476,394                          | 1,104,356   |
|                          | \$107,507,131                         | \$341,736                        | \$2,000,579   | \$8,776,953 | \$(11,246,723) | \$-  | \$107,379,676                      | \$1,612,764   |

**B. Accounting for Investments:**

Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis, including the amortization of premiums and accretion of discounts on bonds held using the yield-to-maturity method. The Trust does not accrue income when payment is delinquent and when management believes payment is questionable.

Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and Federal income tax purposes on the identified cost method.

**C. Use of Estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The MMPI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the MMPI Subsidiary Trust, all of the MMPI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. As of June 30, 2011, the MMPI Subsidiary Trust has incurred income tax expense of \$22,539.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax basis. As of June 30, 2011, the MMPI Subsidiary Trust has a deferred tax liability of \$472,673.

Beginning with the 2009 annual financial statements, the Trust recognizes a tax benefit from an uncertain position only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Trust measures the tax benefit as the largest amount of

D. Federal Income Taxes:

The Trust has elected to be taxed as a "regulated investment company" under the Internal Revenue Code, and intends to maintain this qualification and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after evaluating the prevailing economic conditions, will recommend that Trustees either designate the net realized long-term gains as undistributed and pay the federal capital gains taxes thereon, or distribute all or a portion of such net gains.

The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of operating a trade or business, e.g. the Trust's pro rata share of income allocable to the Trust by a partnership operating company. The Trust's violation of this limitation could result in the loss of its status as a regulated investment company, thereby subjecting all of its net income and capital gains to corporate taxes prior to distribution to its shareholders. The Trust, from time-to-time, identifies investment opportunities in the securities of entities that could cause such trade or business income to be allocable to the Trust. The MMPI Subsidiary Trust (described in Footnote 1, above) was formed in order to allow investment in such securities without adversely affecting the Trust's status as a regulated investment company.

benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Trust has evaluated and determined that the tax positions did not have a material effect on the Trust's financial position and results of operations for the six months ended June 30, 2011.

E. Distributions to Shareholders:

The Trust records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. The Trust's net investment income dividend is declared four times per year, in April, July, October, and December. The Trust's net realized capital gain distribution, if any, is declared in December.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)  
(Unaudited)

MassMutual Participation  
Investors

3. Investment Advisory and Administrative Services  
Contract

A. Services:

Under an Investment Advisory and Administrative Services Contract (the "Contract") with the Trust, Babson Capital has agreed to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust's investments. Under the Contract, Babson Capital also provides administration of the day-to-day operations of the Trust and provides the Trust with office space and office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services.

B. Fee:

For its services under the Contract, Babson Capital is paid a quarterly investment advisory fee equal to 0.225% of the value of the Trust's net assets as of the last business day of each fiscal quarter, an amount approximately equivalent to 0.90% on an annual basis. A majority of the Trustees, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital, approve the valuation of the Trust's net assets as of such day.

C. Basis for Board Renewal of Contract:

At a meeting of the Trustees held on April 15, 2011, the Trustees (including a majority of the Trustees who are not "interested persons" of the Trust or Babson Capital) unanimously approved a one-year continuance of the Contract.

Prior to the meeting, the Trustees requested and received from Ropes & Gray LLP, counsel to the Trust, a memorandum describing the Trustees' legal responsibilities in connection with their review and reapproval of the Contract. The Trustees also requested and received from Babson Capital extensive written and oral information regarding other matters including:

NATURE, EXTENT AND QUALITY OF SERVICES  
TO BE PROVIDED BY BABSON CAPITAL TO  
THE TRUST

In evaluating the scope and quality of the services provided by Babson Capital to the Trust, the Trustees considered, among other factors: (i) the scope of services required to be provided by Babson Capital under the Contract; (ii) Babson Capital's ability to find and negotiate private placement securities having equity features that are consistent with the stated investment objectives of the Trust; (iii) the experience and quality of Babson Capital's staff; (iv) the strength of Babson Capital's financial condition; (v) the nature of the private placement market compared to public markets (including the fact that finding, analyzing, negotiating and servicing private placement securities is more labor-intensive than buying and selling public securities and the administration of private placement securities is more extensive, expensive, and requires greater time and expertise than a portfolio of only public securities); (vi) the potential advantages afforded to the Trust by its ability to co-invest in negotiated private placements with MassMutual and its affiliates; and (vii) the expansion of the scope of services provided by Babson Capital as a result of recent regulatory and legislative initiatives that have required increased legal, compliance and business attention and diligence. Based on such considerations, the Trustees concluded that, overall, they are satisfied with the nature, extent and quality of services provided by Babson Capital, and expected to be provided in the future, under the renewed Contract.

INVESTMENT PERFORMANCE

The Trustees also examined the Trust's short-term, intermediate-term, and long-term performance as compared against various benchmark indices presented at the meeting, which showed that the Trust had outperformed such indices for the 1-, 3-, 5- and 10-year periods. In addition, the Trustees considered comparisons of the Trust's performance with the performance of (i) selected closed-end investment companies and funds that may invest in private

the principal terms of the Contract; the reasons why Babson Capital was proposing the continuance of the Contract; Babson Capital and its personnel; the Trust's investment performance, including comparative performance information; the nature and quality of the services provided by Babson Capital to the Trust; financial strength of Babson Capital; the fee arrangements between Babson Capital and the Trust; fee and expense information, including comparative fee and expense information; profitability of the advisory arrangement to Babson Capital; and "fallout" benefits to Babson Capital resulting from the Contract.

Among other things, the Trustees discussed and considered with management (i) the aforementioned guidance provided by Ropes & Gray LLP and the information provided by Babson Capital prior to the meeting and (ii) the reasons Babson Capital put forth in support of its recommendation that the Trustees approve the continuance of the Contract. These considerations are summarized below.

placement securities and/or bank loans; (ii) selected business development companies with comparable types of investments; and (iii) investment companies included in the Lipper closed-end bond universe. It was acknowledged that, while such comparisons are helpful in judging performance, they are not directly comparable in terms of types of investments due to the fact that business development companies often report returns based on market value, which is affected by factors other than the performance of the underlying portfolio investments. Based on these considerations and the detailed performance information provided to the Trustees at the regular Board meetings each quarter, the Trustees concluded that the Trust's absolute and relative performance over time have been sufficient to warrant renewal of the Contract.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

(Unaudited)

ADVISORY FEE/COST OF SERVICES PROVIDED AND PROFITABILITY/ MANAGER'S "FALL-OUT" BENEFITS

In connection with the Trustees' consideration of the advisory fee paid by the Trust to Babson Capital under the Contract, Babson Capital noted that it was unaware of any registered closed-end investment companies that are directly comparable to the Trust in terms of the types of investments and percentages invested in private placement securities (which require more extensive advisory and administrative services than a portfolio of publicly traded securities, as previously discussed) other than MassMutual Corporate Investors, which also is advised by Babson Capital. Under the terms of its Investment Services Contract, MassMutual Corporate Investors is charged a quarterly investment advisory fee of 0.3125% of net asset value as of the end of each quarter, which is approximately equal to 1.25% annually. In considering the fee rate provided in the Contract, the Trustees noted the advisory fee charged by Babson Capital to Tower Square Capital Partners, L.P. and Tower Square Capital Partners II and III, L.P., each a private mezzanine fund also managed by Babson Capital, and that the fee MassMutual Corporate Investors is charged compares favorably.

At the request of the Trustees, Babson Capital provided information concerning the profitability of Babson Capital's advisory relationship with the Trust. The Trustees also considered the non-economic benefits Babson Capital and its affiliates derived from its

4. Senior Indebtedness

MassMutual holds the Trust's \$12,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due December 13, 2011 and accrues interest at 5.80% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the six months ended June 30, 2011, the Trust incurred total interest expense on the Note of \$348,000.

The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus a Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

5. Purchases and Sales of Investments

|                                 | For the six<br>months ended<br>06/30/2011 |  |
|---------------------------------|---|--|
|                                 | Cost of<br>Investments<br>Acquired        | Proceeds<br>from<br>Sales or<br>Maturities |
| Corporate restricted securities | \$ 7,431,582                              | \$ 7,563,631                               |
| Corporate public securities     | 10,934,075                                | 5,199,592                                  |

The aggregate cost of investments is substantially the same for financial reporting and Federal income tax purposes as of June 30, 2011. The net unrealized depreciation of investments for financial reporting and Federal tax purposes as of June 30, 2011 is \$7,766,276 consists of \$11,934,355 appreciation and \$19,700,631 depreciation.

Net unrealized depreciation of investments on the Statement of Assets and Liabilities reflects the balance net of a deferred tax liability of \$472,673 on net unrealized gains on the MMPI Subsidiary Trust.

relationship with the Trust, including the reputational benefits derived from having the Trust listed on the New York Stock Exchange, and the de minimis amount of commissions resulting from the Trust's portfolio transactions used by Babson Capital for third-party soft dollar arrangements. The Trustees recognized that Babson Capital should be entitled to earn a reasonable level of profit for services provided to the Trust and, based on their review, concluded that they were satisfied that Babson Capital's historical level of profitability from its relationship with the Trust was not excessive and that the advisory fee structure under the Contract is reasonable.

#### ECONOMIES OF SCALE

The Trustees considered the concept of economies of scale and possible advisory fee reductions if the Trust were to grow in assets. Given that the Trust is not continuously offering shares, such growth comes principally from retained net realized gain on investments and dividend reinvestment. The Trustees also examined the breakpoint features of selected competitive funds and noted that the minimum starting point for fee reductions in those funds was at least \$200 million whereas the Trust's current net assets are near \$124 million. The Trustees concluded that the absence of breakpoints in the fee schedule under the Contract was currently acceptable given the Trust's current size and closed-end fund structure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)  
(Unaudited)

MassMutual Participation  
Investors

6. Quarterly Results of  
Investment Operations

|  | March 31, 2011 |           |
|--|----------------|-----------|
|  | Amount         | Per Share |
| Investment income  | \$3,785,681    |           |
| Net investment income  | 3,201,825      | \$ 0.32   |
| Net realized and unrealized gain on investments (net of taxes) | 1,032,385      | 0.10      |
|  | June 30, 2011  |           |
|  | Amount         | Per Share |
| Investment income  | \$4,025,618    |           |
| Net investment income  | 3,429,310      | \$ 0.34   |
| Net realized and unrealized gain on investments (net of taxes) | 1,345,218      | 0.13      |

7. Results of Shareholder Meeting

The Annual Meeting of Shareholders was held on Friday, April 15, 2011. The Shareholders were asked to vote to re-elect as Trustees Michael H. Brown, Corine T. Norgaard, and Maleyne M. Syracuse for three year terms. The Shareholders approved the proposals. The Trust's other Trustees, William J. Barrett, Donald E. Benson, Donald Glickman, Martin T. Hart, Robert E. Joyal, and Clifford M. Noreen continued to serve their respective terms following the April 15, 2011 Annual Shareholders Meeting. The results of the Shareholder voting are set forth below.

|                     | Shares for | Withheld | Total     | % of Shares Voted for |
|---------------------|------------|----------|-----------|-----------------------|
| Michael H. Brown    | 8,534,646  | 229,000  | 8,534,646 | 97.39%                |
| Corine T. Norgaard  | 8,534,725  | 228,921  | 8,534,725 | 97.39%                |
| Maleyne M. Syracuse | 8,530,923  | 232,723  | 8,530,923 | 97.35%                |

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MassMutual Participation Investors

Members of the Board of Trustees

Donald Glickman

Robert E. Joyal

William J. Barrett

Michael H. Brown\*

Donald E. Benson\*

Clifford M. Noreen

Martin T. Hart

Maleyne M. Syracuse\*

\*Member of the Audit Committee

Officers

Clifford M. Noreen  
Chairman

Michael L. Klofas  
President

James M. Roy  
Vice President & Chief  
Financial Officer

Christopher A. DeFrancis  
Vice President & Secretary

Jill A. Fields  
Vice President

Michael P. Hermsen  
Vice President

Mary Wilson Kibbe  
Vice President

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

MassMutual Participation Investors offers a Dividend Reinvestment and Cash Purchase Plan (the "Plan"). The Plan provides a simple and automatic way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the reinvestment of cash dividends in Trust shares purchased in the open market. The dividends of each shareholder will be automatically reinvested in the Trust by Shareholder Financial Services Inc., the Transfer Agent, in accordance with the Plan, unless such shareholder elects not to participate by providing written notice to the Transfer Agent. A shareholder may terminate his or her participation by notifying the Transfer Agent in writing.

Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$100 nor more than \$5,000 per quarter. Cash contributions must be received by the Transfer Agent at least five days (but no more than 30 days) before the payment date of a dividend or distributions.

Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment.

When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date.

The reinvestment of dividends does not, in anyway, relieve participating shareholders of any Federal, state or local tax. For Federal income tax purposes, the amount reportable in respect of a dividend received in newly-issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains.

As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.)

Any questions regarding the Plan should be addressed to Shareholder Financial Services, Inc., Transfer Agent for MassMutual Participation Investors' Dividend Reinvestment and Cash Purchase Plan, P.O. Box 173673, Denver, CO

80217-3673.

Richard E. Spencer, II  
Vice President

Daniel J. Florence  
Treasurer

John T. Davitt, Jr.  
Comptroller

Melissa M. LaGrant  
Chief Compliance Officer



ITEM 2. CODE OF ETHICS.

Not applicable for this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable for this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable for this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable for this filing.

ITEM 6. SCHEDULE OF INVESTMENTS

A schedule of investments for the Registrant is included as part of this report to shareholders under Item 1 of this Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable for this filing. There have been no changes in any of the Portfolio Managers identified in the Registrant's most recent annual report on Form N-CSR.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable for this filing.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable for this filing.



ITEM 11. 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-CSR is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) during the Registrant's second fiscal half year that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

- (a)(1) ANY CODE OF ETHICS, OR AMENDMENTS THERETO, THAT IS THE SUBJECT OF DISCLOSURE REQUIRED BY ITEM 2, TO THE EXTENT THAT THE REGISTRANT INTENDS TO SATISFY THE ITEM 2 REQUIREMENTS THROUGH THE FILING OF AN EXHIBIT.

None.

- (a)(2) A SEPARATE CERTIFICATION FOR EACH PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER OF THE REGISTRANT AS REQUIRED BY RULE 30a-2 UNDER THE ACT.

Attached hereto as EX-99.31.1

Attached hereto as EX-99.31.2

- (a)(3) ANY WRITTEN SOLICITATION TO PURCHASE SECURITIES UNDER RULE 23c-1 UNDER THE ACT (17 CFR 270.23c-1) SENT OR GIVEN DURING THE PERIOD COVERED BY THE REPORT BY OR ON BEHALF OF THE REGISTRANT TO 10 OR MORE PERSONS.

Not applicable for this filing.

- (b) CERTIFICATIONS PURSUANT TO RULE 302-2(b) UNDER THE ACT.

Attached hereto as EX-99.32



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): MassMutual Participation Investors

By: /s/ Michael L. Klofas

Michael L. Klofas, President

Date: September 8, 2011

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: /s/ Michael L. Klofas

Michael L. Klofas, President

Date: September 8, 2011

By: /s/ James M. Roy

James M. Roy, Vice President and  
Chief Financial Officer

Date: September 8, 2011