

BABSON CAPITAL CORPORATE INVESTORS
Form N-Q
May 30, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-Q

Quarterly Schedule of Portfolio Holdings of
Registered Management Investment Company

Investment Company Act file number 811-02183

Babson Capital Corporate Investors

(Exact name of registrant as specified in charter)

1500 Main Street, Springfield, MA 01115

(Address of principal executive offices) (Zip code)

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

(Name and address of agent for service)

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

Date of fiscal year end: 12/31

Date of reporting period: 03/31/13

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2013

(Unaudited)

	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Corporate Restricted Securities - 91.04%:				
(A)				
Private Placement Investments - 84.34%				
1492 Acquisition LLC				
A leading producer of premium Italian cured meats and deli meats in the U.S.				
14% Senior Subordinated Note due 2019 Limited Liability Company Unit Class A Common (B)	\$ 2,752,025 27,273 uts.	10/17/12	\$ 2,699,634 27,273	\$ 2,705,844 26,095
Limited Liability Company Unit Class A Preferred (B)	245 uts.	10/17/12	245,450 2,972,357	249,541 2,981,480
A E Company, Inc.				
A designer and manufacturer of machined parts and assembly structures for the commercial and military aerospace industries.				
Common Stock (B)	323,077 shs.	11/10/09	323,077	706,272
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	161,538 shs.	11/10/09	119,991 443,068	353,135 1,059,407
A H C Holding Company, Inc.				
A designer and manufacturer of boilers and water heaters for the commercial sector.				
Limited Partnership Interest (B)	23.16% int.	11/21/07	224,795	285,179
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.				
Limited Liability Company Unit Class A (B)		4,128 uts. *	147,972	165,021
Limited Liability Company Unit Class B (B)		2,793 uts.	100,114	111,653
* 10/09/09 and 10/27/10.			248,086	276,674
A W X Holdings Corporation				
A provider of aerial equipment rental, sales and repair services to non-residential construction and maintenance contractors operating in the state of Indiana.				
10.5% Senior Secured Term Note due 2014 (D)	\$ 735,000	05/15/08	724,402	551,250
13% Senior Subordinated Note due 2015 (D)	\$ 735,000	05/15/08	673,096	-
Common Stock (B)	105,000 shs.	05/15/08	105,000	-
Warrant, exercisable until 2015, to purchase				

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common stock at \$.01 per share (B)	36,923 shs.	05/15/08	62,395	-
			1,564,893	551,250
ABC Industries, Inc.				
A manufacturer of mine and tunneling ventilation products in the U.S.				
13% Senior Subordinated Note due 2019	\$ 1,200,000	08/01/12	1,081,236	1,190,307
Preferred Stock Series A (B)	300,000 shs.	08/01/12	300,000	270,685
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	53,794 shs.	08/01/12	101,870	-
			1,483,106	1,460,992

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 March 31, 2013
 (Unaudited)

Babson Capital Corporate
 Investors

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
ACP Cascade Holdings LLC A manufacturer and distributor of vinyl windows and patio doors throughout the northwestern United States.				
Limited Liability Company Unit Class B (B)	64 uts.	11/09/12	\$ -	\$ -
Advanced Manufacturing Enterprises LLC A designer and manufacturer of large, custom gearing products for a number of critical customer applications.				
14% Senior Subordinated Note due 2018	\$ 2,723,077	12/07/12	2,683,626	2,689,568
Limited Liability Company Unit (B)	2,769 uts.	12/07/12	276,923 2,960,549	209,968 2,899,536
Advanced Technologies Holdings A provider of factory maintenance services to industrial companies.				
Preferred Stock Series A (B)	796 shs.	12/27/07	393,754	1,401,817
Convertible Preferred Stock Series B (B)	52 shs.	01/04/11	40,800 434,554	92,475 1,494,292
All Current Holding Company A specialty re-seller of essential electrical parts and components primarily serving wholesale distributors.				
12% Senior Subordinated Note due 2015	\$ 1,140,317	09/26/08	1,091,029	1,140,317
Common Stock (B)	1,347 shs.	09/26/08	134,683	234,141
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	958 shs.	09/26/08	87,993 1,313,705	166,524 1,540,982
American Hospice Management Holding LLC A for-profit hospice care provider in the United States.				
	\$ 3,187,495	*	3,161,801	3,187,495

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12% Senior Subordinated Note
due 2013

Preferred Class A Unit (B)	3,223 uts.	**	322,300	441,367
Preferred Class B Unit (B)	1,526 uts.	06/09/08	152,626	324,755
Common Class B Unit (B)	30,420 uts.	01/22/04	1	-
Common Class D Unit (B)	6,980 uts.	09/12/06	1	-
* 01/22/04 and 06/09/08.			3,636,729	3,953,617
** 01/22/04 and 09/12/06.				

AMS Holding LLC

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

14.25% Senior Subordinated

Note due 2019	\$ 2,757,355	10/04/12	2,705,116	2,725,191
Limited Liability Company Unit				
Class A Preferred (B)	273 uts.	10/04/12	272,727	272,730
			2,977,843	2,997,921

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
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 2017	\$ 1,912,500	04/28/09	\$ 1,746,879	\$ 1,912,500
Preferred Stock Series B (B)	3,065 shs.	04/28/09	306,507	408,754
Common Stock (B)	1,366 shs.	04/28/09	1,366	106,304
			2,054,752	2,427,558
Arch Global Precision LLC				
A leading manufacturer of high tolerance precision components and consumable tools.				
14.75% Senior Subordinated Note due 2018	\$ 2,330,004	12/21/11	2,278,024	2,371,581
Limited Liability Company Unit Class B (B)	85 uts.	12/21/11	85,250	118,370
Limited Liability Company Unit Class C (B)	665 uts.	12/21/11	664,750	923,004
			3,028,024	3,412,955
Arrow Tru-Line Holdings, Inc.				
A manufacturer of hardware for residential and commercial overhead garage doors in North America.				
12% Senior Subordinated Note due 2016 (D)	\$ 1,541,407	05/18/05	1,417,930	1,541,407
Preferred Stock (B)	63 shs.	10/16/09	62,756	148,954
Common Stock (B)	497 shs.	05/18/05	497,340	7,538
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	130 shs.	05/18/05	112,128	1,976
			2,090,154	1,699,875
Baby Jogger Holdings LLC				
A designer and marketer of premium baby strollers and stroller accessories.				
14% Senior Subordinated Note due 2019	\$ 2,826,634	04/20/12	2,776,130	2,911,433
Common Stock (B)	2,261 shs.	04/20/12	226,132	349,054
			3,002,262	3,260,487
Blue Wave Products, Inc.				
A distributor of pool supplies.				
	\$ 714,893	10/12/12	701,437	705,704

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10% Senior Secured Term Note due 2018				
13% Senior Subordinated Note due 2019	\$ 718,273	10/12/12	667,538	706,261
Common Stock (B)	114,894 shs.	10/12/12	114,894	113,233
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	45,486 shs.	10/12/12	45,486 1,529,355	44,828 1,570,026
BP SCI LLC				
A leading value-added distributor of branded pipes, valves, and fittings (PVF) to diversified end markets.				
14% Senior Subordinated Note due 2018	\$ 2,523,108	10/17/12	2,475,605	2,484,985
Limited Liability Company Unit Class A (B)	1,000 uts.	10/17/12	100,000	82,014
Limited Liability Company Unit Class B (B)	400 uts.	10/17/12	400,000 2,975,605	410,000 2,976,999

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013
(Unaudited)

Babson Capital Corporate
Investors

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Bravo Sports Holding Corporation				
A designer and marketer of niche branded consumer products including canopies, trampolines, in-line skates, skateboards, and urethane wheels.				
12.5% Senior Subordinated Note due 2014	\$ 2,281,593	06/30/06	\$ 2,249,301	\$ 2,167,513
Preferred Stock Class A (B)	879 shs.	06/30/06	268,121	157,542
Common Stock (B)	1 sh.	06/30/06	286	-
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	309 shs.	06/30/06	92,102 2,609,810	55,368 2,380,423
C D N T, Inc.				
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils.				
10.5% Senior Secured Term Note due 2014	\$ 234,647	08/07/08	233,337	234,647
12.5% Senior Subordinated Note due 2015	\$ 750,872	08/07/08	718,204	750,872
Common Stock (B)	73,256 shs.	08/07/08	73,256	99,093
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	57,600 shs.	08/07/08	57,689 1,082,486	77,915 1,162,527
Capital Specialty Plastics, Inc.				
A producer of desiccant strips used for packaging pharmaceutical products.				
Common Stock (B)	109 shs.	*	503	1,031,767
*12/30/97 and 05/29/99.				
CHG Alternative Education Holding Company				
A leading provider of publicly-funded, for profit pre-K-12 education services targeting special needs children at therapeutic day schools and "at risk" youth through alternative education programs.				
13.5% Senior Subordinated Note due 2018	\$ 2,209,998	01/19/11	2,108,691	2,254,197
14% Senior Subordinated Note due 2019	\$ 570,033	08/03/12	559,445	573,365

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Common Stock (B)	1,125 shs.	01/19/11	112,500	121,180
Warrant, exercisable until 2021, to purchase common stock at \$.01 per share (B)	884 shs.	01/19/11	87,750 2,868,386	95,255 3,043,997
Church Services Holding Company				
A provider of diversified residential services to homeowners in the Houston, Dallas, and Austin markets.				
14.5% Senior Subordinated Note due 2018	\$ 1,224,451	03/26/12	1,188,098	1,248,940
Common Stock (B)	3,981 shs.	*	398,100	370,273
Warrant, exercisable until 2022, to purchase common stock at \$.01 per share (B)	172 shs.	03/26/12	17,220	15,998
*03/26/12, 05/25/12 and 06/19/12.			1,603,418	1,635,211

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Clough, Harbour and Associates An engineering service firm that is located in Albany, NY. Preferred Stock (B)	277 shs.	12/02/08	\$ 276,900	\$ 384,328
Connecticut Electric, Inc. A supplier and distributor of electrical products sold into the retail and wholesale markets. 10% Senior Subordinated Note due 2014 (D)	\$ 1,456,429	01/12/07	1,358,675	1,404,463
Limited Liability Company Unit Class A (B)	156,046 uts.	01/12/07	156,046	19,462
Limited Liability Company Unit Class C (B)	112,873 uts.	01/12/07	112,873	15,086'
Limited Liability Company Unit Class D (B)	1,268,437 uts.	05/03/10	-	1,338,622
Limited Liability Company Unit Class E (B)	2,081 uts.	05/03/10	-	-
			1,627,594	2,777,633
Connor Sport Court International, Inc. A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products.				
Preferred Stock Series B-2 (B)	17,152 shs.	07/05/07	700,392	1,715,247
Preferred Stock Series C (B)	7,080 shs.	07/05/07	236,503	707,977
Common Stock (B)	718 shs.	07/05/07	7	317
Limited Partnership Interest (B) *08/12/04 and 01/14/05.	12.64% int.	*	189,586	-
			1,126,488	2,423,541
CorePharma LLC A manufacturer of oral dose generic pharmaceuticals targeted at niche applications. Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)	20 shs.	08/04/05	137,166	785,892
Crane Rental Corporation A crane rental company since 1960, headquartered in Florida.				

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13% Senior Subordinated Note due 2015	\$ 2,295,000	08/21/08	2,183,167	2,281,751
Common Stock (B)	255,000 shs.	08/21/08	255,000	104,965
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	136,070 shs.	08/21/08	194,826	56,010
			2,632,993	2,442,726

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013
(Unaudited)

Babson Capital Corporate
Investors

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
Custom Engineered Wheels, Inc.				
A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires used primarily for lawn and garden products and wheelchairs.				
12.5% Senior Subordinated Note due 2016				
	\$ 1,446,635	10/27/09	\$ 1,323,739	\$ 1,446,635
Preferred Stock PIK (B)	296 shs.	10/27/09	295,550	221,018
Preferred Stock Series A (B)	216 shs.	10/27/09	197,152	161,484
Common Stock (B)	72 shs.	10/27/09	72,238	-
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share				
(B)	53 shs.	10/27/09	48,608	-
			1,937,287	1,829,137
DPL Holding Corporation				
A distributor and manufacturer of aftermarket undercarriage parts for medium and heavy duty trucks and trailers.				
14% Senior Subordinated Note due 2019				
	\$ 3,126,620	05/04/12	3,070,021	3,149,557
Preferred Stock (B)	61 shs.	05/04/12	605,841	613,204
Common Stock (B)	61 shs.	05/04/12	67,316	41,719
			3,743,178	3,804,480
Duncan Systems, Inc.				
A distributor of windshields and side glass for the recreational vehicle market.				
10% Senior Secured Term Note due 2013				
	\$ 135,000	11/01/06	134,774	133,908
13% Senior Subordinated Note due 2014				
	\$ 855,000	11/01/06	826,157	842,796
Common Stock (B)	180,000 shs.	11/01/06	180,000	48,322
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share				
(B)	56,514 shs.	11/01/06	78,160	15,172
			1,219,091	1,040,198
E S P Holdco, Inc.				
A manufacturer of power protection technology for commercial office equipment, primarily supplying the office equipment dealer network.				
14% Senior Subordinated Note due 2015				
		\$ 2,464,326	01/08/08	2,442,617
Common Stock (B)		660 shs.	01/08/08	329,990
				2,464,326
				360,212

2,772,607 2,824,538

Eatem Holding Company

A developer and manufacturer of savory flavor systems for soups, sauces, gravies, and other products produced by food manufacturers for retail and foodservice end products.

12.5% Senior Subordinated Note due 2018	\$ 2,850,000	02/01/10	2,570,480	2,853,069
Common Stock (B)	150 shs.	02/01/10	150,000	127,131
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	358 shs.	02/01/10	321,300	303,123
			3,041,780	3,283,323

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013

(Unaudited)

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
ELT Holding Company				
A provider of web-based ethics and compliance training solutions for companies in the United States.				
14% Senior Subordinated Note due 2019	\$ 2,787,613	03/01/12	\$ 2,738,664	\$ 2,835,868
Common Stock (B)	122 shs.	03/01/12	272,727	314,738
			3,011,391	3,150,606
F F C Holding Corporation				
A leading U.S. manufacturer of private label frozen novelty and ice cream products.				
16% Senior Subordinated Note due 2017	\$ 2,715,309	09/27/10	2,680,000	2,742,462
Limited Liability Company Unit Preferred (B)	512 uts.	09/27/10	175,035	552,844
Limited Liability Company Unit (B)	512 uts.	09/27/10	51,220	91,331
			2,906,255	3,386,637
F G I Equity LLC				
A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.				
14.25% Senior Subordinated Note due 2018	\$ 676,494	02/29/12	676,692	690,024
Limited Liability Company Unit Class B-1 (B)	394,737 uts.	12/15/10	394,737	801,476
Limited Liability Company Unit Class B-2 (B)	49,488 uts.	12/15/10	49,488	100,481
Limited Liability Company Unit Class B-3 (B)	39,130 uts.	08/30/12	90,000	89,115
Limited Liability Company Unit Class C (B)	9,449 uts.	12/20/10	96,056	126,946
			1,306,973	1,808,042
Flutes, Inc.				
An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products packaging industries.				
10% Senior Secured Term Note due 2014 (D)		\$918,385	04/13/06	908,339
14% Senior Subordinated Note due 2015 (D)		\$555,059	04/13/06	509,089
				1,417,428
				872,466
G C Holdings				
A leading manufacturer of gaming tickets, industrial recording charts, security-enabled point-of sale receipts, and medical charts and supplies.				
12.5% Senior Subordinated Note due 2017	\$ 3,000,000	10/19/10	2,850,070	3,030,000
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	594 shs.	10/19/10	140,875	1,644,566
			2,990,945	4,674,566
GD Dental Services LLC				

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

14% Senior Subordinated Note due 2019	\$ 2,829,249	10/05/12	2,775,319	2,801,911
Limited Liability Company Unit Common (B)	1,840 uts.	10/05/12	1,841	-
Limited Liability Company Unit Preferred (B)	182 uts.	10/05/12	182,209	177,812
			2,959,369	2,979,723

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2013
(Unaudited)Babson Capital Corporate
Investors

Corporate Restricted Securities: (A) (Continued)	Principal Amount, Shares, Units or Ownership Percentage	Acquisition Date	Cost	Fair Value
gloProfessional Holdings, Inc. A marketer and distributor of premium mineral-based cosmetics, cosmeceuticals and professional hair care products to the professional spa and physician's office channels.				
14% Senior Subordinated Note due 2019	\$ 2,716,535	03/27/13	\$ 2,662,284	\$ 2,712,180
Common Stock (B)	2,835 shs.	03/27/13	283,465	269,292
			2,945,749	2,981,472
Golden County Foods Holding, Inc. A manufacturer of frozen appetizers and snacks.				
16% Senior Subordinated Note due 2015 (D)	\$ 1,912,500	11/01/07	1,772,199	-
14% PIK Note due 2015 (D)	\$ 472,711	12/31/08	411,209	-
8% Series A Convertible Preferred Stock, convertible into common shares (B)	287,658 shs.	11/01/07	146,658	-
			2,330,066	-
H M Holding Company A designer, manufacturer, and importer of promotional and wood furniture.				
7.5% Senior Subordinated Note due 2014 (D)	\$ 685,100	10/15/09	512,231	-
Preferred Stock (B)	40 shs.	*	40,476	-
Preferred Stock Series B (B)	2,055 shs.	10/15/09	1,536,694	-
Common Stock (B)	340 shs.	02/10/06	340,000	-
Common Stock Class C (B)	560 shs.	10/15/09	-	-
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	126 shs.	02/10/06		