

MASSMUTUAL PARTICIPATION INVESTORS

Form N-30D

November 29, 2011

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Independent Registered Public Accounting Firm
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Boston, Massachusetts 02110

Internet Website
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Counsel to the Trust
Ropes & Gray LLP
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MassMutual Participation Investors
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Springfield, Massachusetts 01115
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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

October 31, 2011

We are pleased to present the September 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 November 10, 2011 to shareholders of record on October 31, 2011. The Trust paid a 27 cent per share dividend for the preceding quarter. The Trust earned 28 cents per share of net investment income for the third quarter of 2011, compared to 34 cents per share in the previous quarter. The previous quarter's earnings included approximately 7 cents per share of income due to nonrecurring items.

During the third quarter, the net assets of the Trust decreased to \$126,154,855 or \$12.49 per share compared to \$126,256,640 or \$12.52 per share on June 30, 2011. This translates into a 1.9% 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 13.3%, 9.8%, 8.3%, and 13.5% 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 1.2% during the quarter, from \$14.94 per share as of June 30, 2011 to \$15.12 per share as of September 30, 2011. The Trust's market price of \$15.12 per share equates to a 21.1% premium over the September 30, 2011 net asset value per share of \$12.49. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 6.2%, 7.7% and 8.8%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, decreased 21.8% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, decreased 6.1% for the quarter.

The Trust closed four new private placement investments during the third quarter. The four new investments were in LPC Holding Company, Marshall Physician Services LLC, Merex Holding Corporation and Strata/WLA Holding Corporation. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these four transactions was \$3,000,000.

Last quarter, I characterized middle market buyout activity as lackluster. Activity in the third quarter and thus far in the fourth quarter presents quite a contrast as our deal flow has been robust. Deal flow often fluctuates from quarter to quarter and it is usually hard to pinpoint the exact reasons why. That is certainly the case today. It does appear, though, that the deal supply/capital availability imbalance that I mentioned in prior quarters has come into better balance. After closing only two new platform investments in the first half of the year, it was a welcome change to close four new attractive platform investments this quarter. Subsequent to quarter-end, we have already closed two additional platform investments, and we have several more transactions in process. It looks like it will be a busy fourth quarter. Be assured, however, that despite the pickup in deal flow, we will continue to maintain the same investment discipline and philosophy that has served us well for many years.

(Continued)

Most of our portfolio companies once again reported improved operating results in the third quarter of 2011. Several more of our companies were also 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 in the third quarter was limited, with just one portfolio company, Momentum Holding Company, sold. However, one additional company, Nesco Holding Corporation, was sold for a nice gain in the middle of October. We also continue to have a healthy backlog of companies that are in various stages of a sale process, so we expect realization activity to be strong for the next few quarters at least.

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

Sincerely,

Michael L. Klofas

President

* 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.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

MassMutual Participation Investors

September 30, 2011

(Unaudited)

Assets:

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value

(Cost - \$118,584,600)

\$ 109,976,283

Corporate restricted securities at market value

(Cost - \$2,640,284)

2,465,561

Corporate public securities at market value

(Cost - \$13,602,690)

13,872,051

Short-term securities at amortized cost

9,199,612

Total investments (Cost - \$144,027,186)

135,513,507

Cash

2,758,051

Interest receivable

1,232,338

Receivable for investments sold

822

Other assets

329,223

Total assets

139,833,941

Liabilities:

Note payable

12,000,000

Payable for investments purchased

375,000

Deferred tax liability

627,885

Investment advisory fee payable

283,848

Interest payable

262,933

Accrued expenses

129,420

Total liabilities

13,679,086

Total net assets

\$ 126,154,855

Net Assets:

Common shares, par value \$.01 per share

\$ 100,970

Additional paid-in capital

94,480,979

Retained net realized gain on investments, prior years

33,183,269

Undistributed net investment income

5,604,736

Accumulated net realized gain on investments

1,926,465

Net unrealized depreciation of investments

(9,141,564)

Total net assets

\$ 126,154,855

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

10,096,975

Net asset value per share

\$ 12.49

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF OPERATIONS

For the nine months ended September 30, 2011

(Unaudited)

| | |
|---|--------------|
| Investment Income: | |
| Interest | \$10,954,443 |
| Dividends | 224,867 |
| Other | 52,934 |
| Total investment income | 11,232,244 |
| Expenses: | |
| Investment advisory fees | 846,876 |
| Interest | 522,000 |
| Trustees' fees and expenses | 170,225 |
| Professional fees | 146,900 |
| Reports to shareholders | 62,993 |
| Custodian fees | 22,000 |
| Other | 25,254 |
| Total expenses | 1,796,248 |
| Investment income - net | 9,435,996 |
| Net realized and unrealized gain on investments: | |
| Net realized gain on investments before taxes | 843,303 |
| Income tax expense | (52,393) |
| Net realized gain on investments after taxes | 790,910 |
| Net change in unrealized depreciation of investments before taxes | 1,542,155 |
| Net change in deferred income tax expense | (363,420) |
| Net change in unrealized depreciation of investments after taxes | 1,178,735 |
| Net gain on investments | 1,969,645 |
| Net increase in net assets resulting from operations | \$11,405,641 |

See Notes to Consolidated Financial Statements

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

| | |
|--|---------------|
| Net decrease in cash: | |
| Cash flows from operating activities: | |
| Purchases/Proceeds/Maturities from short-term portfolio securities, net | \$ 867,753 |
| Purchases of portfolio securities | (18,869,007) |
| Proceeds from disposition of portfolio securities | 18,674,946 |
| Interest, dividends and other income received | 8,242,228 |
| Interest expense paid | (348,000) |
| Operating expenses paid | (1,322,036) |
| Income taxes paid | (515,718) |
| Net cash provided by operating activities | 6,730,166 |
| Cash flows from financing activities: | |
| Cash dividends paid from net investment income | (7,952,096) |
| Receipts for shares issued on reinvestment of dividends | 648,507 |
| Net cash used for financing activities | (7,303,589) |
| Net decrease in cash | (573,423) |
| Cash - beginning of year | 3,331,474 |
| Cash - end of period | \$ 2,758,051 |
| Reconciliation of net increase in net assets to net cash provided by operating activities: | |
| Net increase in net assets resulting from operations | \$ 11,405,641 |
| Increase in investments | (4,844,229) |
| Decrease in interest receivable | 97,492 |
| Increase in receivable for investments sold | (822) |
| Increase in other assets | (329,223) |
| Increase in payable for investments purchased | 375,000 |
| Increase in deferred tax liability | 363,420 |
| Increase in investment advisory fee payable | 15,256 |
| Increase in interest payable | 174,000 |
| Decrease in accrued expenses | (45,916) |
| Decrease in accrued taxes payable | (463,325) |
| Decrease in other payables | (17,128) |
| Total adjustments to net assets from operations | (4,675,475) |
| Net cash provided by operating activities | \$ 6,730,166 |

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

| | For the nine months ended 09/30/11 (Unaudited) | For the year ended 12/31/10 |
|--|---|-----------------------------------|
| Increase in net assets: | | |
| Operations: | | |
| Investment income - net | \$ 9,435,996 | \$ 10,266,428 |
| Net realized gain on investments after taxes | 790,910 | 1,179,654 |
| Net change in unrealized depreciation of investments after taxes | 1,178,735 | 8,365,960 |
| Net increase in net assets resulting from operations | 11,405,641 | 19,812,042 |
| Increase from common shares issued on reinvestment of dividends | | |
| Common shares issued (2011 - 46,704; 2010 - 67,032) | 648,507 | 828,922 |
| Dividends to shareholders from: | | |
| Net investment income (2011 - \$0.54 per share; 2010 - \$1.00 per share) | (5,439,528) | (10,026,104) |
| Total increase in net assets | 6,614,620 | 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 \$5,604,737 and \$1,608,268, respectively) | \$ 126,154,855 | \$ 119,540,235 |

See Notes to Consolidated Financial Statements

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CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS
Selected data for each share of beneficial interest
outstanding:

MassMutual Participation Investors

| | For the nine months ended 09/30/2011 (Unaudited) | | For the years ended December 31, | | | | 2007 | 2006 |
|---|---|-----------|----------------------------------|-----------|-----------|-----------|------|------|
| | 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) | 0.94 | 1.02 | 0.94 | 1.08 | 1.23 | 1.10 | | |
| Net realized and unrealized gain (loss) on investments | 0.20 | 0.95 | (0.13) | (1.82) | (0.05) | 0.77 | | |
| Total from investment operations | 1.14 | 1.97 | 0.81 | (0.74) | 1.18 | 1.87 | | |
| Dividends from net investment income to common shareholders | (0.54) | (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 | 0.00 (b) | 0.01 | 0.00 (b) | 0.00 (b) | 0.01 | 0.01 | | |
| Total dividends | (0.54) | (0.99) | (1.00) | (1.00) | (1.24) | (1.18) | | |
| Net asset value: End of period/year | \$ 12.49 | \$ 11.89 | \$ 10.91 | \$ 11.10 | \$ 12.84 | \$ 12.90 | | |
| Per share market value: | | | | | | | | |
| End of period/year | \$ 15.12 | \$ 13.88 | \$ 12.20 | \$ 9.05 | \$ 13.18 | \$ 14.70 | | |
| Total investment return | | | | | | | | |
| Net asset value (c) | 9.71 % | 18.71 % | 7.60 % | (6.01 %) | 9.95 % | 18.64 % | | |
| Market value (c) | 13.18 % | 22.94 % | 40.86 % | (25.36 %) | (1.30 %) | 16.81 % | | |
| Net assets (in millions): | | | | | | | | |
| End of period/year | \$ 126.15 | \$ 119.54 | \$ 108.93 | \$ 110.18 | \$ 126.63 | \$ 126.52 | | |
| Ratio of operating expenses to average net assets | 1.38 % ^(e) | 1.46 % | 1.41 % | 1.33 % | 1.36 % | 1.17 % | | |
| Ratio of interest expense to average net assets | 0.56 % ^(e) | 0.61 % | 0.63 % | 0.58 % | 0.56 % | 0.57 % | | |
| Ratio of income tax expense to average net assets (d) | 0.06 % ^(e) | 0.46 % | 0.00 % | 0.00 % | 0.48 % | 2.68 % | | |
| Ratio of total expenses before custodian fee | 2.00 % ^(e) | 2.53 % | 2.04 % | 1.91 % | 2.40 % | 4.46 % | | |

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| | | | | | | | | | | | | |
|---|-------|------|------|---|------|---|------|---|------|---|------|---|
| reduction to average net assets (d) | | | | | | | | | | | | |
| Ratio of net expenses after custodian fee reduction to average net assets (d) | 2.00 | %(e) | 2.53 | % | 2.04 | % | 1.91 | % | 2.40 | % | 4.42 | % |
| Ratio of net investment income to average net assets | 10.20 | %(e) | 8.96 | % | 8.55 | % | 8.74 | % | 9.32 | % | 8.43 | % |
| Portfolio turnover | 15 | % | 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 millions) | \$12 | \$12 | \$12 | \$12 | \$12 | \$12 |
| Asset coverage per \$1,000 of indebtedness | \$11,513 | \$10,962 | \$10,077 | \$10,181 | \$11,552 | \$11,543 |

See Notes to Consolidated Financial Statements

CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2011

(Unaudited)

| Corporate Restricted Securities - 89.13%: (A) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|------------|------------|
| Private Placement Investments - 87.18% | | | | |
| 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 | \$ 715,384 | * | \$ 704,586 | \$ 737,696 |
| 13% Senior Subordinated Note due 2016 | \$ 807,693 | 11/10/09 | 737,874 | 830,512 |
| Common Stock (B) 184,615 shs. | | 11/10/09 | 184,615 | 102,129 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) 92,308 shs. | | 11/10/09 | 68,566 | 51,065 |
| * 11/10/09 and 11/18/09. | | | 1,695,641 | 1,721,402 |
| 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 | \$ 1,383,751 | 11/21/07 | 1,365,715 | 1,383,751 |
| Limited Partnership Interest (B) 12.26% int. | | 11/21/07 | 119,009 | 175,683 |
| | | | 1,484,724 | 1,559,434 |
| 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 | 407,442 | 455,005 |
| Limited Liability Company Unit Class A-2 (B) 676 uts. | | 12/31/08 | 74,333 | 280,749 |
| Limited Liability Company Unit Class A-3 (B) 608 uts. | | 12/31/08 | 66,899 | 252,677 |
| | | | 548,674 | 988,431 |
| 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 | 1,083,689 | 1,251,818 |
| Limited Liability Company Unit Class A (B) 2,186 uts. | | * | 214,793 | 288,287 |

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| | | | | |
|--|------------|----------|-----------|-----------|
| Limited Liability Company Unit Class B (B) | 1,473 uts. | 10/09/09 | 144,716 | 194,257 |
| * 10/09/09 and 10/27/10. | | | 1,443,198 | 1,734,362 |

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 | 378,000 |
| 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 | 378,000 |

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

MassMutual Participation Investors

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|---------------------|--------------|--------------|
| Advanced Technologies Holdings | | | | |
| A provider of factory maintenance services to industrial companies. | | | | |
| 15% Senior Subordinated Note due 2013 | | | | |
| | \$ 1,208,491 | 12/27/07 | \$ 1,197,693 | \$ 1,208,490 |
| Preferred Stock (B) | 546 shs. | 12/27/07 | 270,000 | 518,337 |
| Preferred Stock Series B (B) | 28 shs. | 01/04/11 | 21,600 | 26,400 |
| | | | 1,489,293 | 1,753,227 |
| 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 | 692,947 | 714,719 |
| 14% Senior Subordinated Note due 2015 | | | | |
| | \$ 720,000 | 03/09/07 | 674,128 | 720,000 |
| Common Stock (B) | 150,000 shs. | 03/09/07 | 150,000 | 248,786 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 37,780 shs. | 03/09/07 | 63,730 | 62,661 |
| | | | 1,580,805 | 1,746,166 |
| 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 | 565,665 | 603,697 |
| Common Stock (B) | 713 shs. | 09/26/08 | 71,303 | 54,564 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 507 shs. | 09/26/08 | 46,584 | 38,799 |
| | | | 683,552 | 697,060 |
| American Hospice Management Holding LLC | | | | |
| A for-profit hospice care provider in the United States. | | | | |
| | \$ 1,687,503 | * | 1,649,773 | 1,687,503 |

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12% Senior Subordinated

Note due 2013

| | | | | |
|-----------------------------|-------------|----------|-----------|-----------|
| Preferred Class A Unit (B) | 1,706 uts. | ** | 170,600 | 310,094 |
| Preferred Class B Unit (B) | 808 uts. | 06/09/08 | 80,789 | 137,390 |
| Common Class B Unit (B) | 16,100 uts. | 01/22/04 | 1 | 98,288 |
| Common Class D Unit (B) | 3,690 uts. | 09/12/06 | - | 22,527 |
| * 01/22/04 and 06/09/08. ** | | | | |
| 01/22/04 and 09/12/06. | | | 1,901,163 | 2,255,802 |

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 | 896,746 | 1,012,500 |
| Preferred Stock Series B (B) | 1,623 shs. | 04/28/09 | 162,269 | 214,455 |
| Common Stock (B) | 723 shs. | 04/28/09 | 723 | 95,579 |
| | | | 1,059,738 | 1,322,534 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition 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) | \$ 292,000 | 09/30/10 | 285,627 | 297,005 |
| 13% Senior Subordinated Note due 2017 | \$ 332,000 | 09/30/10 | 299,288 | 335,320 |
| Limited Liability Company Unit Class B (B) | 36,000 uts. | 09/30/10 | 36,000 | 30,985 |
| Limited Liability Company Unit Class B OID (B) | 27,520 uts. | 09/30/10 | 27,520 648,435 | 23,686 686,996 |
| 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 | \$ 645,151 | 07/27/10 | 617,397 | 658,054 |
| Preferred Stock (B) | 13 shs. | 07/27/10 | 131,496 | 131,500 |
| Common Stock Class A (B) | 44 shs. | 07/27/10 | 437 | 49,903 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 8 shs. | 07/27/10 | 76 749,406 | 8,660 848,117 |
| Bravo Sports Holding Corporation | | | | |

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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 | 1,173,691 | 1,169,786 |
| Preferred Stock Class A (B) | 465 shs. | 06/30/06 | 141,946 | 32,045 |
| 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 | 11,262 |
| | | | 1,364,549 | 1,213,093 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|------------|------------|
| C D N T, Inc. | | | | |
| A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, and foils. | | | | |
| 10.5% Senior Secured Term Note due 2014 | \$ 294,986 | 08/07/08 | \$ 291,727 | \$ 294,986 |
| 12.5% Senior Subordinated Note due 2015 | \$ 429,070 | 08/07/08 | 401,290 | 429,070 |
| Common Stock (B) | 41,860 shs. | 08/07/08 | 41,860 | 36,560 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 32,914 shs. | 08/07/08 | 32,965 | 28,747 |
| | | | 767,842 | 789,363 |
| Capital Specialty Plastics, Inc. | | | | |
| A producer of desiccant strips used for packaging pharmaceutical products. | | | | |
| Common Stock (B) | 55 shs. | * | 252 | 585,849 |
| *12/30/97 and 05/29/99. | | | | |
| Clough, Harbour and Associates | | | | |
| An engineering service firm that is located in Albany, NY. | | | | |
| 12.25% Senior Subordinated Note due 2015 | \$ 1,270,588 | 12/02/08 | 1,205,244 | 1,283,294 |
| Preferred Stock (B) | 147 shs. | 12/02/08 | 146,594 | 169,444 |
| | | | 1,351,838 | 1,452,738 |
| 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 | \$ 720,067 | 01/19/11 | 679,755 | 739,452 |
| 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 |
| | | | 746,505 | 775,080 |
| Coeur, Inc. | | | | |

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A producer of proprietary, disposable power injection syringes.

| | | | | |
|--|------------|----------|---------|---------|
| 12% Senior Subordinated Note due 2016 | \$ 642,857 | 10/10/08 | 597,204 | 649,285 |
| Common Stock (B) | 321 shs. | 10/10/08 | 32,143 | 11,806 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 495 shs. | 10/10/08 | 48,214 | 18,163 |
| | | | 677,561 | 679,254 |

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)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|------------|------------|
| Connor Sport Court International, Inc. A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary flooring products. | | | | |
| Preferred Stock Series B-2 (B) | 9,081 shs. | 07/05/07 | \$ 370,796 | \$ 907,093 |
| Preferred Stock Series C (B) | 4,757 shs. | 07/05/07 | 158,912 | 475,195 |
| Common Stock (B) | 380 shs. | 07/05/07 | 4 | - |
| Limited Partnership Interest (B) *08/12/04 and 01/14/05. | 6.88% int. | * | 103,135 | - |
| | | | 632,847 | 1,382,288 |
| CorePharma LLC A manufacturer of oral dose generic pharmaceuticals targeted at niche applications. | | | | |
| 14.5% Senior Subordinated Note due 2016 | \$ 1,382,089 | 08/04/05 | 1,382,090 | 1,382,089 |
| Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B) | 10 shs. | 08/04/05 | 72,617 | 294,758 |
| | | | 1,454,707 | 1,676,847 |
| Crane Rental Corporation A crane rental company. | | | | |
| 13% Senior Subordinated Note due 2015 | \$ 1,215,000 | 08/21/08 | 1,128,225 | 1,191,268 |
| 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 | - |
| | | | 1,366,368 | 1,191,268 |
| 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 | \$ 1,155,288 | 10/27/09 | 1,029,503 | 1,154,001 |
| Preferred Stock PIK (B) | 156 shs. | 10/27/09 | 156,468 | 106,454 |
| Preferred Stock Series A (B) | 114 shs. | 10/27/09 | 104,374 | 77,777 |
| 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 | - |
| | | | 1,354,324 | 1,338,232 |

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 | 472,794 | 489,131 |
| Limited Partnership Interest (B) | 0.97% int. | 10/30/06 | 371,739 | 882,274 |
| Warrant, exercisable until 2014, to purchase preferred stock at \$.01 per share (B) | 26 shs. | 10/30/06 | 26,380 | 42,027 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 18 shs. | 10/30/06 | 18,000 | 77,272 |
| | | | 888,913 | 1,490,704 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|------------|------------|
| Duncan Systems, Inc. | | | | |
| A distributor of windshields and side glass for the recreational vehicle market. | | | | |
| 10% Senior Secured Term Note due 2013 | \$ 231,429 | 11/01/06 | \$ 230,130 | \$ 234,818 |
| 13% Senior Subordinated Note due 2014 | \$ 488,572 | 11/01/06 | 459,681 | 488,572 |
| Common Stock (B) | 102,857 shs. | 11/01/06 | 102,857 | 47,900 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 32,294 shs. | 11/01/06 | 44,663 | 15,039 |
| | | | 837,331 | 786,329 |
| 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 | \$ 1,266,179 | 01/08/08 | 1,250,003 | 1,266,179 |
| Common Stock (B) | 349 shs. | 01/08/08 | 174,701 | 119,095 |
| | | | 1,424,704 | 1,385,274 |
| E X C Acquisition Corporation | | | | |
| A manufacturer of pre-filled syringes and pump systems used for intravenous drug delivery. | | | | |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 11 shs. | 06/28/04 | 40,875 | 55,861 |
| 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 | \$ 950,000 | 02/01/10 | 839,261 | 925,729 |
| Common Stock (B) | 50 shs. | 02/01/10 | 50,000 | 42,633 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 119 shs. | 02/01/10 | 107,100 | 101,655 |
| | | | 996,361 | 1,070,017 |
| F C X Holdings Corporation | | | | |
| A distributor of specialty/technical valves, actuators, accessories, and process instrumentation supplying a number of industrial, high purity, and energy end markets in North America. | | | | |
| | \$ 1,222,995 | 10/06/08 | 1,207,792 | 1,247,455 |

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15% Senior Subordinated Note due
2015

| | | | | |
|------------------------------|------------|----------|-----------|-----------|
| Preferred Stock Series A (B) | 232 shs. | 12/30/10 | 23,200 | 22,040 |
| Preferred Stock Series B (B) | 2,298 shs. | 10/06/08 | 229,804 | 275,898 |
| Common Stock (B) | 1,625 shs. | 10/06/08 | 1,625 | - |
| | | | 1,462,421 | 1,545,393 |

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

| | | | | | |
|---|----|----------|----------|-----------|-----------|
| | \$ | 859,007 | 09/27/10 | 843,759 | 876,187 |
| Limited Liability Company Units Preferred (B) | | 171 uts. | 09/27/10 | 153,659 | 163,277 |
| Limited Liability Company Units (B) | | 171 uts. | 09/27/10 | 17,073 | 8,412 |
| | | | | 1,014,491 | 1,047,876 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|------|------------|
|--|--|---------------------|------|------------|

F G I Equity LLC

A manufacturer of a broad range of filters and related products that are used in commercial, light industrial, healthcare, gas turbine, nuclear, laboratory, clean room, hotel, educational system, and food processing settings.

| | | | | |
|--|-------------|----------|------------|-----------|
| 14.25% Senior Subordinated Note due 2016 | \$ 440,340 | 12/15/10 | \$ 428,951 | \$453,550 |
| 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 |
| | | | 502,988 | 516,132 |

F H Equity LLC

A designer and manufacturer of a full line of automatic transmission filters and filtration systems for passenger vehicles.

| | | | | |
|--|------------|----------|---------|---------|
| 14% Senior Subordinated Note due 2017 | \$ 507,930 | 12/20/10 | 488,484 | 528,776 |
| Limited Liability Company Unit Class C (B) | 1,575 uts. | 12/20/10 | 16,009 | 16 |
| | | | 504,493 | 528,792 |

Flutes, Inc.

An independent manufacturer of micro fluted corrugated sheet material for the food and consumer products packaging industries.

| | | | | |
|---|-----------|----------|---------|---------|
| 10% Senior Secured Term Note due 2013 (D) | \$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 |

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 | \$ 1,000,000 | 10/19/10 | 938,844 | 1,030,000 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 198 shs. | 10/19/10 | 46,958 | 2 |
| | | | 985,802 | 1,030,002 |

Golden County Foods Holding, Inc.

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A manufacturer of frozen appetizers and snacks.

| | | | | | |
|---|----|--------------|----------|-----------|---|
| 16% Senior Subordinated PIK Note due 2015 (D) | \$ | 1,012,500 | 11/01/07 | 938,215 | - |
| 16% PIK Note due 2015 (D) | \$ | 250,259 | 12/31/08 | 217,699 | - |
| 8% Series A Convertible Preferred Stock, convertible into common shares (B) | | 151,643 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 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-------------|-------------|
| Home Décor Holding Company A designer, manufacturer and marketer of framed art and wall décor products. | | | | |
| 12.5% Senior Subordinated Note due 2013 | \$1,081,731 | * | \$1,044,024 | \$1,081,731 |
| Common Stock (B) | 33 shs. | * | 33,216 | 56,977 |
| Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B) | 106 shs. | * | 105,618 | 181,153 |
| * 06/30/04 and 08/19/04. | | | 1,182,858 | 1,319,861 |
| Hospitality Mints Holding Company A manufacturer of individually-wrapped imprinted promotional mints. | | | | |
| 12% Senior Subordinated Note due 2016 | \$ 1,415,237 | 08/19/08 | 1,346,617 | 1,394,214 |
| Common Stock (B) | 251 shs. | 08/19/08 | 251,163 | 17,400 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 65 shs. | 08/19/08 | 60,233 | 4,498 |
| | | | 1,658,013 | 1,416,112 |
| Insurance Claims Management, Inc. A third party administrator providing auto and property claim administration services for insurance companies. | | | | |
| Common Stock (B) | 47 shs. | 02/27/07 | 1,424 | 206,730 |
| International Offshore Services LLC A leading provider of marine transportation services, platform decommissioning, and salvage services to oil and gas producers in the shallow waters of the Gulf of Mexico. | | | | |
| 14.25% Senior Subordinated Secured Note due 2017 | \$ 1,350,000 | 07/07/09 | 1,239,258 | 1,012,500 |
| Limited Liability Company Unit (B) | 1,647 uts. | 07/07/09 | 98,833 | - |
| | | | 1,338,091 | 1,012,500 |
| J A C Holding Enterprises, Inc. A supplier of luggage racks and accessories to the original equipment manufacturers. | | | | |
| 12.5% Senior Subordinated Note due 2017 | \$ 833,333 | 12/20/10 | 718,972 | 784,277 |
| Preferred Stock A (B) | 165 shs. | 12/20/10 | 165,000 | 82,500 |

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| | | | | |
|--|-----------|----------|--------------------|--------------|
| Preferred Stock B (B) | 0.06 shs. | 12/20/10 | - | - |
| Common Stock (B) | 33 shs. | 12/20/10 | 1,667 | 833 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 12 shs. | 12/20/10 | 105,643 991,282 | - 867,610 |
| Jason Partners Holdings LLC | | | | |
| A diversified manufacturing company serving various industrial markets. | | | | |
| Limited Liability Company Unit (B) | 48 uts. | 09/21/10 | 449,086 | 25,511 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--------------|--|---------------------|----------------------|----------------------|
| K H O F Holdings, Inc. | | | | | |
| 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 | \$ 146,698 |
| K N B Holdings Corporation | | | | | |
| A designer, manufacturer and marketer of products for the custom framing market. | | | | | |
| 15% Senior Subordinated PIK | | | | | |
| Note due 2017 | \$ 2,153,168 | | 04/12/11 | 1,970,325 | 2,153,168 |
| Common Stock (B) | 71,053 shs. | | 05/25/06 | 71,053 | 29,966 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share | | | | | |
| (B) | 43,600 shs. | | 05/25/06 | 37,871 2,079,249 | 18,388 2,201,522 |
| K P H I Holdings, Inc. | | | | | |
| A manufacturer of highly engineered plastic and metal components for a diverse range of end-markets, including medical, consumer and industrial, automotive and defense. | | | | | |
| 15% Senior Subordinated Note | | | | | |
| due 2017 | \$ 887,194 | | 12/10/10 | 870,853 | 896,459 |
| Common Stock (B) | 232,826 shs. | | 12/10/10 | 232,826 1,103,679 | 221,185 1,117,644 |
| K P I Holdings, Inc. | | | | | |
| The largest player in the U.S. non-automotive, non-ferrous die casting segment. | | | | | |
| 12.75% Senior Subordinated | | | | | |
| Note due 2015 (D) | \$ 1,301,869 | | 07/16/08 | 1,222,125 | 1,301,870 |
| Convertible Preferred Stock | | | | | |
| Series C (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 | 1,837 |
| Warrant, exercisable until 2018, to purchase | | | | | |
| | 51 shs. | | 07/16/08 | 50,836 | 398 |

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| | | | | |
|---|---------|----------|----------------|------------------|
| common stock at \$.01 per share (B) | | | | |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 67 shs. | 09/17/09 | - 1,550,050 | 527 1,401,512 |

K W P I Holdings Corporation

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

| | | | | |
|--|--------------|----------|---------------------|----------------|
| 12% Senior Subordinated Note due 2015 (D) | \$ 1,674,246 | 03/14/07 | 1,523,455 | 1,339,397 |
| Preferred Stock PIK (B) | 793 shs. | 02/07/11 | 306,750 | 230,000 |
| Common Stock (B) | 123 shs. | 03/13/07 | 123,000 | - |
| Warrant, exercisable until 2019, to purchase preferred stock at \$.01 per share (B) | 71 shs. | 07/07/09 | - | - |
| Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B) | 89 shs. | 03/14/07 | 85,890 2,039,095 | - 1,569,397 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-----------|------------|
| LPC Holding Company | | | | |
| A designer and manufacturer of precision-molded silicone rubber components that are utilized in the medical and automotive end markets. | | | | |
| 13.5% Senior Subordinated PIK Note due 2018 | \$ 907,434 | 08/15/11 | \$889,565 | \$926,407 |
| Common Stock (B) | 94 shs. | 08/15/11 | 94,340 | 89,623 |
| | | | 983,905 | 1,016,030 |
| M V I Holding, Inc. | | | | |
| A manufacturer of large precision machined metal components used in equipment which services a variety of industries, including the oil and gas, mining, and defense markets. | | | | |
| 13% Senior Subordinated Note due 2016 | \$ 662,740 | 09/12/08 | 626,565 | 622,499 |
| Common Stock (B) | 32 shs. | 09/12/08 | 32,143 | 16,649 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 35 shs. | 09/12/08 | 34,714 | 17,981 |
| | | | 693,422 | 657,129 |
| Mail Communications Group, Inc. | | | | |
| 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 | 500,157 | 516,177 |
| Limited Liability Company Unit (B) | 12,764 uts. | * | 166,481 | 213,662 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 1,787 shs. | 05/04/07 | 22,781 | 29,915 |
| * 05/04/07 and 01/02/08. | | | 689,419 | 759,754 |
| Manhattan Beachwear Holding Company | | | | |
| A designer and distributor of women's swimwear. | | | | |
| 12.5% Senior Subordinated Note due 2018 | \$ 882,353 | 01/15/10 | 784,264 | 882,353 |
| 15% Senior Subordinated Note due 2018 | \$ 219,041 | 10/05/10 | 215,242 | 219,041 |
| Common Stock (B) | 35 shs. | 10/05/10 | 35,400 | 97,725 |

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| | | | | |
|--|----------|----------|-----------|-----------|
| Common Stock Class B (B) | 118 shs. | 01/15/10 | 117,647 | 324,783 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 104 shs. | 01/15/10 | 94,579 | 287,433 |
| | | | 1,247,132 | 1,811,335 |

Marshall Physicians Services LLC

A provider of emergency department and hospital medicine services to hospitals located in the state of Kentucky. The Company was founded in 1999 and is owned by seven practicing physicians.

| | | | | |
|--|------------|----------|---------|---------|
| 13% Senior Subordinated Note due 2016 | \$ 440,000 | 09/20/11 | 431,223 | 445,858 |
| Limited Liability Company Unit Class A (B) | 2,900 uts. | 09/20/11 | 60,000 | 57,000 |
| Limited Liability Company Unit Class D (B) | 291 uts. | 09/20/11 | - | 1 |
| | | | 491,223 | 502,859 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|--------------|-------------|
| MBWS Ultimate Holdco, Inc. | | | | |
| A provider of services throughout North Dakota that address the fluid management and related transportation needs of an oil well. | | | | |
| 12% Senior Subordinated Note due 2016 | \$ 1,117,495 | * | \$ 1,020,877 | \$1,139,845 |
| Preferred Stock Series A (B) | 1,388 shs. | 09/07/10 | 138,797 | 387,010 |
| Common Stock (B) | 162 shs. | 03/01/11 | 16,226 | 45,170 |
| Common Stock (B) | 153 shs. | 09/07/10 | 15,282 | 42,660 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 103 shs. | 03/01/11 | 10,325 | 28,719 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 386 shs. | 09/07/10 | 38,623 | 107,627 |
| * 09/07/10 and 03/01/11. | | | 1,240,130 | 1,751,031 |
| MedSystems Holdings LLC | | | | |
| A manufacturer of enteral feeding products, such as feeding tubes and other products related to assisted feeding. | | | | |
| 13% Senior Subordinated Note due 2015 | \$ 626,907 | 08/29/08 | 573,210 | 626,907 |
| Preferred Unit (B) | 66 uts. | 08/29/08 | 66,451 | 83,188 |
| Common Unit Class A (B) | 671 uts. | 08/29/08 | 671 | 18,386 |
| Common Unit Class B (B) | 250 uts. | 08/29/08 | 63,564 | 6,841 |
| | | | 703,896 | 735,322 |
| MEGTEC Holdings, Inc. | | | | |
| A supplier of industrial and environmental products and services to a broad array of industries. | | | | |
| 12% Senior Subordinated Note due 2016 | \$ 1,144,068 | 09/24/08 | 1,073,530 | 1,144,068 |
| Preferred Stock (B) | 56 shs. | 09/24/08 | 54,040 | 71,007 |
| Limited Partnership Interest (B) | 0.74% int. | 09/16/08 | 205,932 | 284,239 |
| Warrant, exercisable until 2018, to purchase | | | | |

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| | | | | |
|--|---------|----------|---------------------|---------------------|
| common stock at \$.01 per share (B) | 18 shs. | 09/24/08 | 18,237 1,351,739 | 34,331 1,533,645 |
|--|---------|----------|---------------------|---------------------|

Merex Holding Corporation

A provider of after-market spare parts and components, as well as Maintenance, Repair and Overhaul (“MRO”) services for “out of production” or “legacy” aerospace and defense systems that are no longer effectively supported by the OEMs.

| | | | | |
|--|--------------|----------|--------------------|--------------------|
| 14% Senior Subordinated Note due 2018 | \$ 367,924 | 09/22/11 | 360,583 | 371,199 |
| Limited Liability Company Unit Series B (B) | 132,076 uts. | 09/22/11 | 132,076 492,659 | 125,472 496,671 |

MicroGroup, Inc.

A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and bars.

| | | | | |
|---|--------------|---|---------------------|--------------|
| 12% Senior Subordinated Note due 2013 (D) | \$ 1,421,795 | * | 1,364,411 | 853,077 |
| Common Stock (B) | 238 shs. | * | 238,000 | - |
| Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B) *08/12/05 and 09/11/06. | 87 shs. | * | 86,281 1,688,692 | - 853,077 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-------------|-------------|
| Milwaukee Gear Company | | | | |
| A manufacturer of high-precision custom gears and gear drives used by original equipment manufacturers operating in a number of industries. | | | | |
| 13% Senior Subordinated Note due 2014 | \$ 1,246,154 | 07/21/08 | \$1,202,721 | \$1,246,154 |
| Preferred Stock (B) | 139 shs. | 07/21/08 | 138,374 | 175,474 |
| Common Stock (B) | 9 shs. | 07/21/08 | 10,000 | 73,871 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 6 shs. | 07/21/08 | 5,510 | 49,248 |
| | | | 1,356,605 | 1,544,747 |
| Monessen Holding Corporation | | | | |
| A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories. | | | | |
| 15% Senior Subordinated PIK Note due 2015 (D) | \$ 823,794 | 06/28/11 | 547,745 | - |
| 7% Senior Subordinated Note due 2014 (D) | \$ 1,350,000 | 06/28/11 | 1,281,479 | 337,500 |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B) | 81 shs. | 03/31/06 | 73,125 | - |
| | | | 1,902,349 | 337,500 |
| Motion Controls Holdings | | | | |
| A manufacturer of high performance mechanical motion control and linkage products. | | | | |
| 14.25% Senior Subordinated Note due 2017 | \$ 919,758 | 11/30/10 | 903,574 | 947,351 |
| Limited Liability Company Unit Class B-1 (B) | 93,750 uts. | 11/30/10 | - | 89,063 |
| Limited Liability Company Unit Class B-2 (B) | 8,501 uts. | 11/30/10 | - | 85 |
| | | | 903,574 | 1,036,499 |
| NABCO, Inc. | | | | |

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A producer of explosive containment vessels in the United States.

| | | | | |
|--|------------|----------|---------|--------|
| 14% Senior Subordinated Note due 2014 (D) | \$ 330,882 | 02/24/06 | 306,091 | 82,720 |
| 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 | 82,720 |

Nesco Holdings Corporation

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 | 1,047,660 | 1,125,000 |
| Common Stock (B) | 225,000 shs. | 08/02/07 | 225,000 | 577,125 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 63,191 shs. | 08/02/07 | 102,842 | 162,084 |
| | | | 1,375,502 | 1,864,209 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-----------|------------|
| NetShape Technologies, Inc. | | | | |
| A manufacturer of powder metal and metal injection molded precision components used in industrial, consumer, and other applications. | | | | |
| 12% Senior Subordinated Note due 2014 | \$ 962,026 | 02/02/07 | \$867,508 | \$481,013 |
| Limited Partnership Interest of Saw Mill PCG Partners LLC (B) | 1.38% int. | 02/01/07 | 588,077 | - |
| 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. | | | 1,620,165 | 513,833 |
| Nicoat Acquisitions LLC | | | | |
| A manufacturer of water-based and ultraviolet coatings for high-performance graphic arts, packaging and other specialty coating applications. | | | | |
| 12.5% Senior Subordinated Note due 2016 | \$ 482,759 | 11/05/10 | 441,140 | 488,475 |
| 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 |
| | | | 493,312 | 505,725 |
| Northwest Mailing Services, Inc. | | | | |
| A producer of promotional materials for companies that use direct mail as part of their customer retention and loyalty programs. | | | | |
| 12% Senior Subordinated Note due 2016 | \$ 1,492,105 | * | 1,255,041 | 1,506,618 |
| Limited Partnership Interest (B) | 1,740 uts. | * | 174,006 | 87,796 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 2,605 shs. | * | 260,479 | 131,426 |
| *07/09/09 and 08/09/10. | | | 1,689,526 | 1,725,840 |
| NT Holding Company | | | | |
| A leading developer, manufacturer and provider of medical products used primarily in interventional pain management. | | | | |
| | \$ 883,117 | 02/02/11 | 815,863 | 907,012 |

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13.5% Senior Subordinated Note
due 2019

| | | | | |
|--|----------|----------|---------|-----------|
| 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. | | | 994,733 | 1,026,599 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|------------|------------|
| Nyloncraft, Inc. A supplier of engineered plastic components for the automotive industry. | | | | |
| Convertible Preferred Stock | | | | |
| A (B) 571 shs. | | 01/28/02 | \$ 549,507 | \$ 798,309 |
| Common Stock (B) 178,571 shs. | | 01/28/02 | 178,571 | 207,226 |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) 138,929 shs. | | 01/28/02 | 92,597 | 161,223 |
| | | | 820,675 | 1,166,758 |
| O E C Holding Corporation A provider of elevator maintenance, repair and modernization services. | | | | |
| 13% Senior Subordinated | | | | |
| Note due 2017 \$ 444,445 | | 06/04/10 | 409,077 | 449,952 |
| Preferred Stock Series A (B) 554 shs. | | 06/04/10 | 55,354 | 31,215 |
| Preferred Stock Series B (B) 311 shs. | | 06/04/10 | 31,125 | 17,552 |
| Common Stock (B) 344 shs. | | 06/04/10 | 344 | - |
| | | | 495,900 | 498,719 |
| OakRiver Technology, Inc. Designs, engineers and assembles high precision automated process equipment for the medical device industry with a focus on defibrillators and stents. | | | | |
| Common Stock (B) 184,176 shs. | | 01/03/06 | 184,176 | 266,199 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) 43,073 shs. | | 01/03/06 | 35,900 | 62,256 |
| | | | 220,076 | 328,455 |
| Ontario Drive & Gear Ltd. A manufacturer of all-wheel drive, off-road amphibious vehicles and related accessories. | | | | |
| Limited Liability Company | | | | |
| Unit (B) 1,942 uts. | | 01/17/06 | 302,885 | 712,031 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) 328 shs. | | 01/17/06 | 90,424 | 120,217 |

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| | | | | |
|---|--------------|----------|-----------|-----------|
| | | | 393,309 | 832,248 |
| P K C Holding Corporation | | | | |
| A manufacturer of plastic film and badges for the general industrial, medical, and food industries. | | | | |
| 14% Senior Subordinated | | | | |
| Note due 2016 | \$ 1,576,703 | 12/21/10 | 1,538,701 | 1,595,921 |
| Preferred Stock Class A (B) | 29 shs. | 12/21/10 | 180,380 | 285,100 |
| Common Stock (B) | 29 shs. | 12/21/10 | 13,500 | - |
| | | | 1,732,581 | 1,881,021 |

P P T Holdings LLC

A high-end packaging solutions provider that targets customers who have multiple packaging needs, require a high number of low volume SKUs, short lead times, technical expertise, and overall supply chain management.

| | | | | |
|--|------------|----------|-----------|-----------|
| 15% Senior Subordinated Note due 2017 | \$ 914,079 | 12/20/10 | 897,566 | 937,570 |
| 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 | 1,018 |
| | | | 1,004,709 | 1,039,365 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--------------|--|---------------------|----------------------|-------------------|
| 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 | \$ 705,185 | \$ 429,777 |
| 5% Senior Subordinated Note due 2012 | \$ 42,187 | | 07/21/10 | 42,187 | 42,330 |
| Preferred Shares Series E (B) | 42,187 uts. | | 07/21/10 | - | - |
| Limited Liability Company Unit (B) | 928,962 uts. | | 04/27/07 | 33,477 780,849 | - 472,107 |
| 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 | \$ 843,750 | | 12/19/00 | 841,465 | 843,750 |
| Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B) | 197 shs. | | 12/21/00 | 140,625 982,090 | 62,958 906,708 |
| Pearlman Enterprises, Inc. | | | | | |
| 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 | | | | | |
| A manufacturer and distributor of aluminum extruded products. | | | | | |
| 15% Senior Subordinated Note due 2013 | \$ 842,796 | | 06/03/10 | 832,049 | 851,224 |
| 3% Senior Subordinated PIK Note due 2014 (D) | \$ 1,209,017 | | 10/02/06 | 1,080,171 | 1,209,017 |

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| | | | | |
|--|------------|----------|-----------|-----------|
| Limited Liability Company Unit Class A (B) | 733 uts. | 10/02/06 | 270,000 | 112,351 |
| Limited Liability Company Unit (B) | 76 uts. | 05/22/09 | 340 | 11,653 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 4,550 shs. | 10/02/06 | 65,988 | 697,702 |
| | | | 2,248,548 | 2,881,947 |

Power Services Holding Company

A provider of industrial motor repair services, predictive and preventative maintenance, and performance improvement consulting serving the petrochemical, mining, power generation, metals, and paper industries.

| | | | | |
|--|--------------|----------|-----------|-----------|
| 12% Senior Subordinated Note due 2016 | \$ 1,255,814 | 02/11/08 | 1,178,914 | 1,255,814 |
| Limited Partnership Interest (B) | 12.55% int. | 02/11/08 | 94,092 | 64,684 |
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 700 shs. | 02/11/08 | 88,723 | 127,482 |
| | | | 1,361,729 | 1,447,980 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|----|--|---------------------|----------------------|---------------------|
| 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 | \$ | 1,388,726 | 11/12/09 | \$ 1,274,193 | \$ 1,430,387 |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | | 109 shs. | 11/12/09 | 107,970 1,382,163 | 98,394 1,528,781 |
| Qualis Automotive LLC | | | | | |
| A distributor of aftermarket automotive brake and chassis products. | | | | | |
| Common Stock (B) | | 187,500 shs. | 05/28/04 | 187,500 | 196,235 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | | 199,969 shs. | 05/28/04 | 199,969 387,469 | 209,285 405,520 |
| R A J Manufacturing Holdings LLC | | | | | |
| A designer and manufacturer of women's swimwear sold under a variety of licensed brand names. | | | | | |
| 12.5% Senior Subordinated Note due 2014 | \$ | 1,335,212 | 12/15/06 | 1,278,146 | 1,332,078 |
| 14.5% Senior Subordinated PIK Note due 2014 | \$ | 106,738 | 12/31/10 | 102,306 | 105,771 |
| Limited Liability Company Unit (B) | | 1,497 uts. | 12/15/06 | 149,723 | 71,255 |
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | | 2 shs. | 12/15/06 | 69,609 1,599,784 | 33,625 1,542,729 |

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REI Delaware Holding, Inc.

An engineer and manufacturer of highly complex, close tolerance components, assemblies, tooling and custom automation equipment primarily for aerospace, medical and defense/radar markets.

| | | | | |
|---|--------------|----------|---------------------|----------------------|
| 12% Senior Subordinated Note due 2016 | \$ 1,350,000 | 01/18/08 | 1,321,428 | 1,350,000 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 3 shs. | 01/18/08 | 16,459 1,337,887 | 132,114 1,482,114 |

Royal Baths Manufacturing
Company

A manufacturer and distributor of acrylic and cultured
marble bathroom products.

| | | | | |
|---|------------|----------|-------------------|-------------------|
| 12.5% Senior Subordinated Note due 2011 | \$ 281,250 | 11/14/03 | 281,250 | 281,250 |
| Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B) | 74 shs. | 11/14/03 | 65,089 346,339 | 13,586 294,836 |

Savage Sports Holding, Inc.

A manufacturer of sporting
firearms.

| | | | | |
|---|------------|----------|---------------------|----------------------|
| 12% Senior Subordinated Note due 2012 | \$ 814,655 | 09/10/04 | 801,091 | 814,655 |
| Preferred Stock Series A (B) | 35 shs. | 05/28/10 | 35,038 | 45,990 |
| Common Stock (B) | 324 shs. | * | 340,378 | 814,783 |
| Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) | 71 shs. | 09/10/04 | 60,129 1,236,636 | 177,894 1,853,322 |

* 09/10/04 and 10/05/07.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|--|---------------------|-----------|------------|
| 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 | \$233,654 |
| 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 | 233,654 |
| Smart Source Holdings LLC | | | | |
| A short-term computer rental company. | | | | |
| 12% Senior Subordinated Note due 2015 | \$ 1,176,924 | * | 1,107,492 | 1,176,197 |
| Limited Liability Company Unit (B) | 328 uts. | * | 334,371 | 255,553 |
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 83 shs. | * | 87,231 | 64,732 |
| * 08/31/07 and 03/06/08. | | | 1,529,094 | 1,496,482 |
| Snacks Parent Corporation | | | | |
| The world's largest provider of trail mixes and a leading provider of snack nuts, dried fruits, and other healthy snack products. | | | | |
| 13% Senior Subordinated Note due 2017 | \$ 876,260 | 11/12/10 | 828,991 | 875,894 |
| 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 |
| | | | 994,758 | 1,031,674 |
| Spartan Foods Holding Company | | | | |
| A manufacturer of branded pizza crusts and pancakes. | | | | |
| 12.25% Senior Subordinated Note due 2017 | \$ 1,012,500 | 12/15/09 | 890,681 | 759,375 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 136 shs. | 12/15/09 | 120,234 | - |
| | | | 1,010,915 | 759,375 |
| Specialty Commodities, Inc. | | | | |
| A distributor of specialty food ingredients. | | | | |
| 13.25% Senior Subordinated Note due 2016 | \$ 1,235,636 | 10/23/08 | 1,177,810 | 1,247,992 |

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| | | | | |
|---|-------------|----------|---------------------|---------------------|
| Common Stock (B) | 15,882 shs. | 10/23/08 | 158,824 | 156,727 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 5,852 shs. | 10/23/08 | 53,285 1,389,919 | 57,749 1,462,468 |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|------------|------------|
| Stanton Carpet Holding Company | | | | |
| A designer and marketer of high and mid-priced decorative carpets and rugs. | | | | |
| 12.13% Senior Subordinated Note due 2014 | \$ 790,244 | 08/01/06 | \$ 766,214 | \$ 790,244 |
| Common Stock (B) | 165 shs. | 08/01/06 | 164,634 | 182,694 |
| Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B) | 55 shs. | 08/01/06 | 49,390 | 60,846 |
| | | | 980,238 | 1,033,784 |
| Strata/WLA Holding Corporation | | | | |
| A leading independent anatomic pathology laboratory that conducts over 320,000 tests annually to customers in 40 U.S. states and in Canada and Venezuela. | | | | |
| 14.5% Senior Subordinated PIK Note due 2018 | \$ 929,729 | 07/01/11 | 911,730 | 944,539 |
| Preferred Stock Series A (B) | 76 shs. | 07/01/11 | 76,046 | 72,243 |
| | | | 987,776 | 1,016,782 |
| Sundance Investco LLC | | | | |
| A provider of post-production services to producers of movies and television shows. | | | | |
| Limited Liability Company Unit Class A (B) | 3,405 shs. | 03/31/10 | - | - |
| Sunrise Windows Holding Company | | | | |
| A manufacturer and marketer of premium vinyl windows exclusively selling to the residential remodeling and replacement market. | | | | |
| 14% Senior Subordinated Note due 2017 | \$ 977,411 | 12/14/10 | 924,678 | 963,511 |
| Common Stock (B) | 38 shs. | 12/14/10 | 38,168 | 19,085 |
| Warrant, exercisable until 2020, to purchase common stock at \$.01 per share (B) | 37 shs. | 12/14/10 | 37,249 | - |
| | | | 1,000,095 | 982,596 |
| Syneract Holdings Corporation | | | | |

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

| | | | | |
|--|--------------|----------|---------------------|----------------|
| 14.5% Senior Subordinated Note due 2016 | \$ 1,402,397 | 09/02/08 | 1,331,714 | 1,402,397 |
| Redeemable Preferred Stock Series A (B) | 678 shs. | 09/02/08 | 6,630 | 37,269 |
| Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B) | 6,778 shs. | 09/02/08 | 59,661 1,398,005 | - 1,439,666 |

THI Acquisition, Inc.

A machine servicing company providing value-added steel services to long steel products.

| | | | | |
|--|--------|----------|--------|---------|
| Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B) | 5 shs. | 01/14/08 | 46,617 | 113,967 |
|--|--------|----------|--------|---------|

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|--|---|------------------|--------------|------------|
| Telecorps Holdings, Inc. | | | | |
| A provider of equipment and services to producers of television shows and motion pictures. | | | | |
| 12.75% Senior Subordinated Note due 2016 (D) | \$ 1,681,677 | * | \$ 1,485,130 | \$ - |
| Common Stock (B) | 143 shs. | 09/02/09 | 5,823 | - |
| Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B) | 4,187 shs. | * | 173,349 | - |
| * 05/20/09 and 09/02/09. | | | 1,664,302 | - |
| Terra Renewal LLC | | | | |
| A provider of wastewater residual management and required environmental reporting, permitting, nutrient management planning and record keeping to companies involved in poultry and food processing. | | | | |
| 12% Senior Subordinated Note due 2014 (D) | \$ 664,062 | * | 644,369 | 332,031 |
| 6.75% Term Note due 2012 (C) | \$ 16 | 07/08/11 | 16 | 14 |
| 6.9% Term Note due 2012 (C) | \$ 776,536 | 05/31/11 | 776,536 | 698,883 |
| Common Stock Class B | 32 shs. | * | 3,574 | - |
| Limited Partnership Interest of Saw Mill Capital Fund V, LLC (B) | 2.27% int. | ** | 117,464 | - |
| 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. | | | 1,575,697 | 1,030,928 |
| Torrent Group Holdings, Inc. | | | | |
| A contractor specializing in the sales and installation of engineered drywells for the retention and filtration of stormwater and nuisance water flow. | | | | |
| 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 | - |
| Transpac Holding Company | | | | |
| A designer, importer, and wholesaler of home décor and seasonal gift products. | | | | |
| 12% Senior Subordinated Note due 2015 (D) | \$ 938,651 | 10/31/07 | 878,712 | 953,378 |
| Common Stock (B) | 110 shs. | 10/31/07 | 110,430 | 27,914 |

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| | | | | |
|--|---------|----------|---------------------|-------------------|
| Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B) | 50 shs. | 10/31/07 | 46,380 1,035,522 | 12,603 993,895 |
|--|---------|----------|---------------------|-------------------|

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|---|------------------|-------------|-------------|
| Tranzonic Companies (The) | | | | |
| 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 | \$1,346,592 | \$1,356,000 |
| Common Stock (B) | 315 shs. | 02/04/98 | 315,000 | 274,410 |
| Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B) | 222 shs. | 02/05/98 | 184,416 | 193,393 |
| | | | 1,846,008 | 1,823,803 |
| Truck Bodies & Equipment International | | | | |
| A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, hoists, various forms of flat-bed bodies, landscape bodies and other accessories. | | | | |
| 12% Senior Subordinated Note due 2014 (D) | \$ 1,222,698 | * | 1,107,176 | 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. | | | 1,743,488 | 1,161,563 |
| TruStile Doors, Inc. | | | | |
| 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 |
| U M A Enterprises, Inc. | | | | |
| An importer and wholesaler of home décor products. | | | | |
| 15% Senior Subordinated Note due 2015 | \$ 981,843 | 02/08/08 | 969,047 | 981,843 |
| Convertible Preferred Stock (B) | 470 shs. | 02/08/08 | 469,565 | 357,354 |

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| | | | | |
|---|------------|----------|-----------|-----------|
| | | | 1,438,612 | 1,339,197 |
| U-Line Corporation | | | | |
| 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 | 465,378 | 473,338 |
| Common Stock (B) | 96 shs. | 04/30/04 | 96,400 | 51,103 |
| Warrant, exercisable until 2012, to purchase | | | | |
| common stock at \$.01 per share (B) | 122 shs. | 04/30/04 | 112,106 | 64,673 |
| | | | 673,884 | 589,114 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--------------|--|---------------------|------------|------------|
| Visioneering, Inc. | | | | | |
| A designer and manufacturer of tooling and fixtures for the aerospace industry. | | | | | |
| 10.5% Senior Secured Term Loan due 2013 | \$ 444,706 | | 05/17/07 | \$ 443,035 | \$ 424,947 |
| 13% Senior Subordinated Note due 2014 | \$ 370,588 | | 05/17/07 | 350,906 | 348,467 |
| 18% PIK Convertible Preferred 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, to purchase common stock at \$.01 per share (B) | 20,003 shs. | | 05/17/07 | 31,460 | - |
| | | | | 937,429 | 773,414 |
| Vitex Packaging Group, Inc. | | | | | |
| A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags. | | | | | |
| 10% Senior Subordinated PIK Note due 2011 | \$ 98,931 | | 10/29/09 | 97,360 | 97,800 |
| 5% Senior Subordinated PIK Note due 2011 (D) | \$ 450,000 | | 06/30/07 | 392,576 | 448,053 |
| Class B Unit (B) | 406,525 uts. | | 10/29/09 | 184,266 | - |
| Class C Unit (B) | 450,000 uts. | | 10/29/09 | 413,244 | 169,585 |
| 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. | | | | 1,413,647 | 715,438 |
| Wellborn Forest Holding Company | | | | | |
| A manufacturer of semi-custom kitchen and bath cabinetry. | | | | | |
| 12.13% Senior Subordinated Note due 2014 | \$ 911,250 | | 11/30/06 | 884,719 | 820,125 |
| Common Stock (B) | 101 shs. | | 11/30/06 | 101,250 | 5,698 |

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| | | | | |
|---|--------------|----------|---------------------|---------------------|
| Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B) | 51 shs. | 11/30/06 | 45,790 1,031,759 | 2,845 828,668 |
| Wheaton Holding Corporation A distributor and manufacturer of laboratory supply products and packaging. | | | | |
| 13% Senior Subordinated Note due 2017 | \$ 1,000,000 | 06/08/10 | 920,048 | 1,015,000 |
| Preferred Stock Series B (B) | 703 shs. | 06/08/10 | 70,308 | 53,597 |
| Common Stock (B) | 353 shs. | 06/08/10 | 353 990,709 | 26,876 1,095,473 |
| Whitcraft Holdings, Inc. 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 | 733,075 | 818,356 |
| 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 | 49,334 987,889 | 1 1,013,563 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Principal Amount, Shares, Units or Ownership Percentage | Acquisition Date | Cost | Fair Value |
|---|--|---------------------|-----------------------|-----------------------|
| 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 |
| Xaloy Superior Holdings, Inc. | | | | |
| 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) | \$ 1,586,515 | 09/08/08 | 1,543,522 | 1,586,515 |
| Common Stock (B) | 150 shs. | 09/08/08 | 150,000 | 283,632 |
| | | | 1,693,522 | 1,870,147 |
| Total Private Placement Investments (E) | | | \$ 118,584,600 | \$ 109,976,283 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2011

(Unaudited)

| Corporate Restricted Securities: (A) (Continued) | Interest Rate | Due Date | Shares or Principal Amount | Cost | Market Value |
|---|------------------|-------------|----------------------------------|----------------|-----------------|
| Rule 144A Securities - 1.95%: | | | | | |
| Bonds - 1.95% | | | | | |
| AE Escrow Corporation | 9.750 | % 03/15/20 | \$ 375,000 | \$ 375,000 | \$ 360,000 |
| ArcelorMittal | 6.125 | 06/01/18 | 500,000 | 517,077 | 482,686 |
| Citigroup, Inc. | 7.000 | 05/04/15 | 500,000 | 506,534 | 496,250 |
| Coffeyville Resources LLC | 9.000 | 04/01/15 | 26,000 | 25,905 | 27,300 |
| First Data Corporation | 7.375 | 06/15/19 | 250,000 | 250,000 | 221,875 |
| FMG Resources | 7.000 | 11/01/15 | 250,000 | 259,868 | 232,500 |
| International Automotive Component | 9.125 | 06/01/18 | 250,000 | 250,000 | 233,750 |
| Nexeo Solutions LLC | 8.375 | 03/01/18 | 20,000 | 20,000 | 19,750 |
| Pittsburgh Glass Works, LLC | 8.500 | 04/15/16 | 35,000 | 35,000 | 32,200 |
| Seagate HDD Cayman | 7.000 | 11/01/21 | 150,000 | 150,000 | 138,000 |
| Valeant Pharmaceuticals International | 7.000 | 10/01/20 | 250,000 | 250,900 | 221,250 |
| Total Bonds | | | | 2,640,284 | 2,465,561 |
| 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 | | | | 2,640,284 | 2,465,561 |
| Total Corporate Restricted Securities | | | | \$ 121,224,884 | \$ 112,441,844 |

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Corporate Public Securities - 10.99%: (A) | Interest Rate | Due Date | Principal Amount | Cost | Market Value |
|--|------------------|-------------|---------------------|------------|-----------------|
| Bonds - 10.98% | | | | | |
| Affinia Group, Inc. | 9.000 | % 11/30/14 | \$ 25,000 | \$ 24,491 | \$ 24,125 |
| Alcoa, Inc. | 6.150 | 08/18/20 | 600,000 | 633,588 | 607,789 |
| Alere, Inc. | 9.000 | 05/15/16 | 300,000 | 319,633 | 286,500 |
| Anglogold Holdings PLC | 5.375 | 04/15/20 | 600,000 | 605,997 | 587,833 |
| Bank of America Corporation | 5.875 | 01/05/21 | 600,000 | 626,025 | 560,795 |
| B E Aerospace, Inc. | 6.875 | 10/01/20 | 250,000 | 257,490 | 260,625 |
| Centurytel, Inc. | 5.000 | 02/15/15 | 500,000 | 511,655 | 496,951 |
| Clean Harbors, Inc. | 7.625 | 08/15/16 | 20,000 | 20,825 | 20,850 |
| Citigroup, Inc. | 5.500 | 04/11/13 | 500,000 | 476,206 | 514,613 |
| C R H America, Inc. | 5.300 | 10/15/13 | 500,000 | 462,363 | 524,033 |
| Enesco PLC | 3.250 | 03/15/16 | 600,000 | 597,984 | 609,242 |
| Equifax, Inc. | 4.450 | 12/01/14 | 500,000 | 512,702 | 532,715 |
| GATX Corporation | 4.750 | 05/15/15 | 500,000 | 508,310 | 529,755 |
| General Electric Capital Corporation | 5.500 | 01/08/20 | 500,000 | 498,301 | 545,367 |
| Goldman Sachs Group, Inc. | 4.750 | 07/15/13 | 500,000 | 465,544 | 514,544 |
| Headwaters, Inc. | 7.625 | 04/01/19 | 305,000 | 305,160 | 233,325 |
| Health Management Association | 6.125 | 04/15/16 | 250,000 | 258,536 | 245,625 |
| Hertz Corporation | 6.750 | 04/15/19 | 250,000 | 246,015 | 226,875 |
| International Game Technology | 7.500 | 06/15/19 | 500,000 | 499,767 | 596,670 |
| Johnson Controls, Inc. | 5.500 | 01/15/16 | 500,000 | 430,215 | 561,383 |
| Kraft Foods, Inc. | 5.375 | 02/10/20 | 500,000 | 515,213 | 565,860 |
| Masco Corporation | 7.125 | 03/15/20 | 350,000 | 349,994 | 339,163 |
| Morgan Stanley | 5.500 | 01/26/20 | 500,000 | 497,655 | 458,962 |
| NBC Universal Media LLC | 5.150 | 04/30/20 | 500,000 | 499,371 | 548,290 |
| Precision Drilling Corporation | 6.625 | 11/15/20 | 250,000 | 258,382 | 243,750 |
| Qwest Diagnostic, Inc. | 4.750 | 01/30/20 | 500,000 | 498,845 | 534,394 |
| Sealed Air Corporation | 7.875 | 06/15/17 | 500,000 | 493,717 | 525,987 |
| Sprint Nextel Corporation | 6.000 | 12/01/16 | 500,000 | 514,884 | 430,000 |
| Steelcase, Inc. | 6.375 | 02/15/21 | 500,000 | 508,363 | 535,528 |
| Thermadyne Holdings Corporation | 9.000 | 12/15/17 | 250,000 | 267,551 | 245,000 |
| Time Warner Cable, Inc. | 5.000 | 02/01/20 | 500,000 | 491,138 | 531,141 |
| Tyco International Group SA | 8.500 | 01/15/19 | 125,000 | 124,998 | 163,169 |
| Tutor Perini Corporation | 7.625 | 11/01/18 | 300,000 | 309,201 | 256,500 |
| Total Bonds | | | | 13,590,119 | 13,857,359 |

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

| Corporate Public Securities: (A) (Continued) | Shares | Cost | Market Value | | |
|--|---------------------|--------------|------------------|---------------|---------------|
| Common Stock - 0.01% | | | | | |
| Intrepid Potash, Inc. (B) | 185 | \$5,920 | \$4,601 | | |
| Nortek, Inc. (B) | 100 | 1 | 2,150 | | |
| Rue21, Inc. (B) | 350 | 6,650 | 7,941 | | |
| Total Common Stock | | 12,571 | 14,692 | | |
| | | | | | |
| Total Corporate Public Securities | | \$13,602,690 | \$13,872,051 | | |
| | | | | | |
| Short-Term Securities: | Interest Rate/Yield | Due Date | Principal Amount | Cost | Market Value |
| Commercial Paper - 7.30% | | | | | |
| ABB Treasury Center USA | 0.380 | % 10/06/11 | \$1,450,000 | \$1,449,924 | \$1,449,924 |
| BAT International Finance PLC | 0.370 | 10/04/11 | 2,000,000 | 1,999,938 | 1,999,938 |
| Glencore Funding LLC | 0.500 | 10/03/11 | 2,000,000 | 1,999,944 | 1,999,944 |
| Harris Corporation | 0.320 | 10/06/11 | 1,500,000 | 1,499,933 | 1,499,933 |
| NBC Universal Media LLC | 0.340 | 10/07/11 | 2,250,000 | 2,249,873 | 2,249,873 |
| Total Short-Term Securities | | | | \$9,199,612 | \$9,199,612 |
| | | | | | |
| Total Investments | 107.42 | % | | \$144,027,186 | \$135,513,507 |
| Other Assets | 3.42 | | | | 4,320,434 |
| Liabilities | (10.84 |) | | | (13,679,086) |
| Total Net Assets | 100.00 | % | | | \$126,154,855 |

(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 September 30, 2011.

(D) Defaulted security; interest not accrued.

(E) Illiquid security. As of September 30, 2011, the values of these securities amounted to \$109,976,283 or 87.18% of net assets.

^ Effective yield at purchase

PIK - Payment-in-kind

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Industry Classification: | Fair Value/ Market Value | | Fair Value/ Market Value |
|------------------------------------|-----------------------------|--|-----------------------------|
| | | BUILDINGS & REAL ESTATE - | |
| AEROSPACE - 3.38% | | 2.59% | |
| A E Company, Inc. | \$ 1,721,402 | K W P I Holdings Corporation | \$ 1,569,397 |
| B E Aerospace, Inc. | 260,625 | Masco Corporation | 339,163 |
| | | Sunrise Windows Holding | |
| MEREX Holding Corporation | 496,671 | Company | 982,596 |
| Visioneering, Inc. | 773,414 | TruStile Doors, Inc. | 118,750 |
| Whitcraft Holdings, Inc. | 1,013,563 | Tutor Perini Corporation | 256,500 |
| | 4,265,675 | | 3,266,406 |
| AUTOMOBILE - 3.69% | | CHEMICAL, PLASTICS & RUBBER - 0.87% | |
| F H Equity LLC | 528,792 | Capital Specialty Plastics, Inc. | 585,849 |
| International Automotive Component | 233,750 | Nicoat Acquisitions LLC | 505,725 |
| J A C Holding Enterprises, Inc. | 867,610 | | 1,091,574 |
| Jason Partners Holdings LLC | 25,511 | CONSUMER PRODUCTS - 10.84% | |
| Johnson Controls, Inc. | 561,383 | Aero Holdings, Inc. | 1,746,166 |
| Nyloncraft, Inc. | 1,166,758 | BAT International Finance PLC | 1,999,938 |
| | | Bravo Sports Holding | |
| Ontario Drive & Gear Ltd. | 832,248 | Corporation | 1,213,093 |
| Pittsburgh Glass Works, LLC | 32,200 | Custom Engineered Wheels, Inc. | 1,338,232 |
| Qualis Automotive LLC | 405,520 | K N B Holdings Corporation | 2,201,522 |
| | 4,653,772 | Manhattan Beachwear Holding | |
| BEVERAGE, DRUG & FOOD - | | Company | 1,811,335 |
| 5.83% | | R A J Manufacturing Holdings | |
| Eatem Holding Company | 1,070,017 | LLC | 1,542,729 |
| F F C Holding Corporation | 1,047,876 | Tranzonic Companies (The) | 1,823,803 |
| Golden County Foods Holding, Inc. | - | | 13,676,818 |
| Hospitality Mints Holding Company | 1,416,112 | CONTAINERS, PACKAGING & GLASS - 4.41% | |
| Kraft Foods, Inc. | 565,860 | Flutes, Inc. | 498,551 |
| Snacks Parent Corporation | 1,031,674 | P K C Holding Corporation | 1,881,021 |
| Spartan Foods Holding Company | 759,375 | P P T Holdings LLC | 1,039,365 |
| Specialty Commodities, Inc. | 1,462,468 | Paradigm Packaging, Inc. | 906,708 |
| | 7,353,382 | Sealed Air Corporation | 525,987 |
| BROADCASTING & | | Vitex Packaging Group, Inc. | 715,438 |
| ENTERTAINMENT - 2.90% | | | 5,567,070 |
| NBC Universal Media LLC | 2,798,163 | DISTRIBUTION - 1.85% | |
| Time Warner Cable, Inc. | 531,141 | Duncan Systems, Inc. | 786,329 |
| Sundance Investco LLC | - | F C X Holdings Corporation | 1,545,393 |
| Telecorps Holdings, Inc. | - | | 2,331,722 |
| Workplace Media Holding Company | 327,123 | | |
| | 3,656,427 | | |

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

| Industry Classification: (Continued) | Fair Value/ Market Value | Fair Value/ Market Value |
|---|-----------------------------|--------------------------------------|
| DIVERSIFIED/CONGLOMERATE, MANUFACTURING - 13.92% | | ELECTRONICS - 2.28% |
| A H C Holding Company, Inc. | \$ 1,559,434 | ABB Treasury Center USA \$ 1,449,924 |
| Arrow Tru-Line Holdings, Inc. | 632,415 | Barcodes Group, Inc. 848,117 |
| C D N T, Inc. | 789,363 | Connecticut Electric, Inc. 578,288 |
| | | 2,876,329 |
| | | FINANCIAL SERVICES - |
| F G I Equity LLC | 516,132 | 2.42% |
| G C Holdings | 1,030,002 | Citigroup, Inc. 1,010,863 |
| K P H I Holdings, Inc. | 1,117,644 | GATX Corporation 529,755 |
| | | General Electric Capital |
| K P I Holdings, Inc. | 1,401,512 | Corporation 545,367 |
| LPC Holding Company | 1,016,030 | Goldman Sachs Group, Inc. 514,544 |
| MEGTEC Holdings, Inc. | 1,533,645 | Morgan Stanley 458,962 |
| Milwaukee Gear Company | 1,544,747 | 3,059,491 |
| | | HEALTHCARE, EDUCATION & |
| Nortek, Inc. | 2,150 | CHILDCARE - 6.27% |
| O E C Holding Corporation | 498,719 | Alere, Inc. 286,500 |
| | | American Hospice |
| Postle Aluminum Company LLC | 2,881,947 | Management Holding LLC 2,255,802 |
| Truck Bodies & Equipment | | CHG Alternative Education |
| International | 1,161,563 | Holding Company 775,080 |
| | | Marshall Physicians |
| Xaloy Superior Holdings, Inc. | 1,870,147 | Services LLC 502,859 |
| | 17,555,450 | Qwest Diagnostic, Inc. 534,394 |
| | | Strata/WLA Holding |
| DIVERSIFIED/CONGLOMERATE, SERVICE - 12.38% | | Corporation 1,016,782 |
| | | Synteract Holdings |
| A S C Group, Inc. | 1,734,362 | Corporation 1,439,666 |
| | | Wheaton Holding |
| A W X Holdings Corporation | 378,000 | Corporation 1,095,473 |
| Advanced Technologies Holdings | 1,753,227 | 7,906,556 |
| | | HOME & OFFICE FURNISHINGS, |
| Affinia Group, Inc. | 24,125 | HOUSEWARES, AND |
| Anglogold Holdings PLC | 587,833 | DURABLE CONSUMER PRODUCTS - 7.12% |
| | | Connor Sport Court |
| Apex Analytix Holding Corporation | 1,322,534 | International, Inc. 1,382,288 |
| Associated Diversified Services | 686,996 | H M Holding Company 181,350 |
| | | Home Décor Holding |
| Bank of America Corporation | 560,795 | Company 1,319,861 |
| C R H America, Inc. | 524,033 | K H O F Holdings, Inc. 146,698 |
| Clough, Harbour and Associates | 1,452,738 | 337,500 |

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| | | | |
|-----------------------------------|------------|-----------------------------------|-----------|
| | | Monessen Holding Corporation | |
| | | Royal Baths Manufacturing Company | 294,836 |
| Crane Rental Corporation | 1,191,268 | Stanton Carpet Holding Co. | 1,033,784 |
| Equifax, Inc. | 532,715 | Steelcase, Inc. | 535,528 |
| Insurance Claims Management, Inc. | 206,730 | Transpac Holding Company | 993,895 |
| Mail Communications Group, Inc. | 759,754 | U M A Enterprises, Inc. | 1,339,197 |
| Nesco Holdings Corporation | 1,864,209 | U-Line Corporation | 589,114 |
| Nexeo Solutions LLC | 19,750 | Wellborn Forest Holding Co. | 828,668 |
| Northwest Mailing Services, Inc. | 1,725,840 | | 8,982,719 |
| Pearlman Enterprises, Inc. | - | | |
| Tyco International Group SA | 163,169 | | |
| | 15,488,078 | | |

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED) MassMutual Participation Investors
September 30, 2011
(Unaudited)

| Industry Classification: (Continued) | Fair Value/ Market Value | | Fair Value/ Market Value |
|---|-----------------------------|-------------------------------------|-----------------------------|
| LEISURE, AMUSEMENT & ENTERTAINMENT - 1.94% | | OIL & GAS - 2.89% | |
| International Game Technology | \$ 596,670 | Coffeyville Resources LLC | \$ 27,300 |
| Savage Sports Holding, Inc. | 1,853,322 | Ensco PLC | 609,242 |
| | 2,449,992 | International Offshore Services LLC | 1,012,500 |
| MACHINERY - 7.70% | | MBWS Ultimate Holdco, Inc. | 1,751,031 |
| A S A P Industries LLC | 988,431 | Precision Drilling Corporation | 243,750 |
| Davis-Standard LLC | 1,490,704 | | 3,643,823 |
| E S P Holdco, Inc. | 1,385,274 | PHARMACEUTICALS - 1.50% | |
| M V I Holding, Inc. | 657,129 | CorePharma LLC | |
| Motion Controls Holdings | 1,036,499 | Valeant Pharmaceuticals | |
| | | International | 1,676,847 |
| NetShape Technologies, Inc. | 513,833 | | |
| Pacific Consolidated Holdings | | | |
| LLC | 472,107 | | 221,250 |
| Power Services Holding Company | 1,447,980 | | 1,898,097 |
| R E I Delaware Holding, Inc. | 1,482,114 | RETAIL STORES - 0.01% | |
| Thermadyne Holdings Corporation | 245,000 | Rue21, Inc. | 7,941 |
| | 9,719,071 | | |
| MEDICAL DEVICES/BIOTECH - 4.32% | | TECHNOLOGY - 1.66% | |
| Coeur, Inc. | 679,254 | First Data Corporation | 221,875 |
| E X C Acquisition Corporation | 55,861 | Seagate HDD Cayman | 138,000 |
| ETEX Corporation | - | Sencore Holding Company | 233,654 |
| Health Managment Association | 245,625 | Smart Source Holdings LLC | 1,496,482 |
| MedSystems Holdings LLC | 735,322 | | 2,090,011 |
| MicroGroup, Inc. | 853,077 | TELECOMMUNICATIONS - 2.84% | |
| NT Holding Company | 1,026,599 | All Current Holding Company | 697,060 |
| | | Centurytel, Inc. | 496,951 |
| OakRiver Technology, Inc. | 328,455 | Harris Corporation | 1,499,933 |
| Precision Wire Holding Company | 1,528,781 | | |
| TherOX, Inc. | - | Sprint Nextel Corporation | 430,000 |
| | 5,452,974 | | 3,123,944 |
| MINING, STEEL, IRON & NON-PRECIOUS METALS - 2.34% | | TRANSPORTATION - 0.53% | |
| Alcoa, Inc. | 607,789 | AE Escrow Corporation | 360,000 |
| FMG Resources | 232,500 | Hertz Corporation | 226,875 |
| Glencore Funding LLC | 1,999,944 | NABCO, Inc. | 82,720 |
| T H I Acquisition, Inc. | 113,967 | | 669,595 |
| | 2,954,200 | | |
| NATURAL RESOURCES - 0.57% | | | |

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| | | WASTE MANAGEMENT / | |
|-----------------------|---------|-----------------------------|----------------|
| ArcelorMittal | 482,686 | POLLUTION - 0.83% | |
| Headwaters, Inc. | 233,325 | Clean Harbors, Inc. | 20,850 |
| Intrepid Potash, Inc. | 4,601 | Terra Renewal LLC | 1,030,928 |
| | 720,612 | Torrent Group Holdings, Inc | - |
| | | | 1,051,778 |
| | | | \$ 135,513,507 |

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 the 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

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.

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

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

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 up 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
(Unaudited)

MassMutual Participation Investors

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.

The consolidated financial statements include private placement restricted securities valued at \$109,976,283 (87.18% of net assets) as of September 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 September 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 September 30, 2011:

| Assets: | Total | Level 1 | Level 2 | Level 3 |
|-----------------------|---------------|---------|--------------|---------------|
| Restricted Securities | | | | |
| Corporate Bonds | \$ 90,463,488 | \$ - | \$ 2,465,561 | \$ 87,997,927 |
| Common Stock - U.S. | 9,842,849 | - | - | 9,842,849 |
| Preferred Stock | 5,847,650 | - | - | 5,847,650 |

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| | | | | |
|-----------------------|----------------|-----------|---------------|----------------|
| Partnerships and LLCs | 6,287,857 | - | - | 6,287,857 |
| Public Securities | | | | |
| Corporate Bonds | 13,857,359 | - | 13,857,359 | - |
| Common Stock - U.S. | 14,692 | 14,692 | - | - |
| Short-term Securities | 9,199,612 | - | 9,199,612 | - |
| Total | \$ 135,513,507 | \$ 14,692 | \$ 25,522,532 | \$ 109,976,283 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

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

| | Beginning balance at 12/31/2010 | Accrued discounts/ premium | Total gains or losses realized/ unrealized | Purchases | Sales | Transfers in and/ Ending out of balance at Level 3 09/30/2011 | Unrealized gains & losses in net income from assets still held |
|-----------------------|---------------------------------------|----------------------------------|---|--------------|----------------|--|--|
| Assets: | | | | | | | |
| Restricted Securities | | | | | | | |
| Corporate Bonds | \$91,475,704 | \$529,139 | \$(3,496,683) | \$11,812,011 | \$(12,322,244) | \$- \$87,997,927 | \$(3,701,720) |
| Common Stock - U.S. | 7,253,164 | - | 2,813,608 | 469,232 | (693,155) | - 9,842,849 | 525,538 |
| Preferred Stock | 4,615,621 | - | 827,035 | 415,394 | (10,400) | - 5,847,650 | (10,400) |
| Partnerships and LLCs | 4,162,642 | - | 2,035,628 | 343,651 | (254,064) | - 6,287,857 | 1,941,320 |
| | \$107,507,131 | \$529,139 | \$2,179,588 | \$13,040,288 | \$(13,279,863) | \$- \$109,976,283 | \$(1,245,262) |

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

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.

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

financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. As of September 30, 2011, the MMPI Subsidiary Trust has incurred income tax expense of \$52,393.

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 September 30, 2011, the MMPI Subsidiary Trust has a deferred tax liability of \$627,885.

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 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 nine months ended September 30, 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
(Unaudited)

MassMutual Participation Investors

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.

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.

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

5. Purchases and Sales of Investments

| | For the nine months ended 09/30/2011 | |
|---------------------------------|--|---|
| | Cost of Investments Acquired | Proceeds from Sales or Maturities |
| Corporate restricted securities | \$ 12,897,251 | \$ 12,883,305 |
| Corporate public securities | 6,346,756 | 5,321,214 |

The aggregate cost of investments is substantially the same for financial reporting and Federal income tax purposes as of September 30, 2011. The net unrealized depreciation of investments for financial reporting and Federal tax purposes as of September 30, 2011 is \$8,513,679 consists of \$13,730,555 appreciation and \$22,244,234 depreciation.

Net unrealized depreciation of investments on the Statement of Assets and Liabilities reflects the balance net of a deferred tax liability of \$627,885 on net unrealized gains on the MMPI Subsidiary Trust.

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.

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 nine months ended September 30, 2011, the Trust incurred total interest expense on the Note of \$522,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

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 |
| | September 30, 2011 | |
| | Amount | Per Share |
| Investment income | \$ 3,420,945 | |
| Net investment income | 2,804,861 | \$ 0.27 |
| Net realized and unrealized loss on investments (net of taxes) | (407,958) | (0.04) |

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MassMutual Participation Investors

Members of the
Board of
Trustees

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

Michael P. Hermsen
Vice President

Mary Wilson Kibbe
Vice President

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

