

MASSMUTUAL CORPORATE INVESTORS

Form N-30D

November 24, 2004

MassMutual

CORPORATE  
INVESTORS

REPORT for the NINE  
MONTHS ENDED 9/30/04

ADVISER

Babson Capital Management LLC  
1500 Main Street  
Springfield, Massachusetts 01115

MASSMUTUAL CORPORATE INVESTORS  
c/o Babson Capital Management LLC

## Edgar Filing: MASSMUTUAL CORPORATE INVESTORS - Form N-30D

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[LOGO]

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### INVESTMENT OBJECTIVE AND POLICY

MassMutual Corporate Investors (the "Trust") is a closed-end investment company, first offered to the public in 1971, whose shares are traded on the New York Stock Exchange under the trading symbol "MCI". The Trust's share price can be found in the financial section of most newspapers as "MassCp" or "MassMuInv" under the New York Stock Exchange listings.

The Trust's investment objective is to maintain a portfolio of securities providing a fixed yield and at the same time offering an opportunity for capital gains. The Trust's principal investments are privately placed, below-investment grade, long-term corporate debt obligations with equity features such as warrants, conversion rights, or other equity features and, occasionally, preferred stocks. The Trust typically purchases these investments, which are not publicly tradable, directly from their issuers, which tend to be smaller companies. In addition, the Trust may temporarily invest, subject to certain limitations, in marketable investment grade debt securities, other marketable debt securities (including high yield securities) and marketable common stocks.

Babson Capital Management LLC 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 quarterly in January, May, August, and November. The Trust pays dividends to its shareholders in cash, unless the shareholder elects to participate in the Dividend Reinvestment and Share Purchase Plan.

### PROXY VOTING POLICIES & PROCEDURES; PROXY VOTING RECORD

The Trustees of MassMutual Corporate Investors have delegated proxy voting responsibilities relating to the voting of securities held by the Trust to Babson Capital Management LLC. A description of Babson Capital's proxy voting policies and procedures is available (1) without charge, upon request, by calling, tollfree 866-399-1516; (2) on MassMutual Corporate Investors' website: <http://www.babsoncapital.com/mci>; and (3) on the U.S. Securities and Exchange Commission ("SEC") 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 MassMutual Corporate Investors' website:

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<http://www.babsoncapital.com/mci>; and (2) on the SEC's website at <http://www.sec.gov>.

TO OUR SHAREHOLDERS

October 29, 2004

We are pleased to present the September 30, 2004 Quarterly Report of MassMutual Corporate Investors (the "Trust"). The Trust's Board of Trustees declared an increase in the quarterly dividend to 46 cents per share, payable on November 15, 2004 to shareholders of record on November 1, 2004. A dividend of 45 cents per share was paid in the previous quarter.

U.S. equity markets, as measured by several broad market indices, declined. During the quarter ended September 30, 2004, large stocks, as approximated by the Dow Jones Industrial Average, decreased 2.9%. Smaller stocks, as approximated by the Russell 2000 Index, decreased 2.86%. Alternatively, U.S. fixed income markets, as measured by select indices, increased during the quarter. The Lehman Brothers Government/Credit Index and the Lehman Brothers U.S. Corporate High Yield Index increased 3.56% and 4.85%, respectively, for the quarter.

For the quarter ended September 30, 2004, the Trust earned 54 cents per share, of which 5 cents represents income due to a nonrecurring item. The Trust earned 59 cents per share in the previous quarter, of which 15 cents represented income due to a separate nonrecurring item. The Trust's net assets as of September 30, 2004 totaled \$213,481,986 or \$23.83 per share compared to \$208,743,330 or \$23.37 per share on June 30, 2004. This translated into a portfolio return of 4.36% for the quarter based on the change in the Trust's net assets assuming the reinvestment of all dividends. Long term, the Trust's portfolio had average annualized returns of 18.21%, 11.56%, 15.13%, and 14.88% for the 1-, 5-, 10- and 25-year periods ended September 30, 2004, respectively, based on change in net assets with the reinvestment of all dividends.

During the quarter, the Trust made private placement investments in ten new issuers totaling approximately \$18.8 million. The ten issuers added to the portfolio were Eagle Pack Pet Foods, Inc., Maverick Acquisition Company, Maxon Corporation, Qualserv Corporation, River Ranch Fresh Foods LLC, Savage Sports Holdings, Inc., Sport Court International, Inc., Vitality Foodservice, Inc., Vitex Packaging Group, Inc. and Walls Industries, Inc. The weighted average coupon of these investments was 11.79%. (A brief description of these investments can be found in the Schedule of Investments.)

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

Sincerely,

/s/ Roger W. Crandall

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Roger W. Crandall  
President

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CONSOLIDATED STATEMENT OF  
ASSETS AND LIABILITIES

MASSMUTUAL CORPORATE INVESTORS

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September 30, 2004  
(Unaudited)

**ASSETS:**

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value (Cost - \$192,545,061)	\$ 176,924,437
Corporate public securities at market value (Cost - \$49,683,143)	49,423,172
Short-term securities at cost plus earned discount which approximates market value	4,793,966
	231,141,575

Cash	1,919,913
Interest and dividends receivable	5,146,530
Receivable for investments sold	4,288,745
Other assets	6,285
	231,141,575

TOTAL ASSETS	\$ 242,503,048
	242,503,048

**LIABILITIES:**

Payable for investments purchased	\$ 2,000,000
Management fee payable	724,908
Note payable	20,000,000
Revolving Credit Agreement	6,000,000
Interest payable	202,768
Accrued expenses	93,386
	29,021,062

TOTAL LIABILITIES	29,021,062
	29,021,062

**NET ASSETS:**

Common shares, par value \$1.00 per share; an unlimited number authorized	8,957,487
Additional paid-in capital	103,623,051
Retained net realized gain on investments, prior years	100,547,585
Undistributed net investment income	6,672,250
Undistributed net realized gain on investments	9,562,208
Net unrealized depreciation of investments	(15,880,595)
	213,481,986

TOTAL NET ASSETS	213,481,986
	213,481,986

TOTAL LIABILITIES AND NET ASSETS	\$ 242,503,048
	242,503,048

COMMON SHARES IS SUED AND OUTSTANDING	8,957,487
	8,957,487

NET ASSET VALUE PER SHARE	\$ 23.83
	23.83

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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## CONSOLIDATED STATEMENT OF OPERATIONS

## MASSMUTUAL CORPORATE INVESTORS

For the nine months ended September 30, 2004  
(Unaudited)

INVESTMENT INCOME:	
Interest	\$ 15,976,284
Dividends	1,784,422
	-----
TOTAL INVESTMENT INCOME	17,760,706
	-----
EXPENSES:	
Management fees (net of fee waiver of \$15,565) See Footnote 7	2,273,321
Trustees' fees and expenses	115,000
Transfer agent/registrar's expenses	16,000
Interest	1,176,673
Reports to shareholders	50,000
Audit and legal	234,800
Other	30,066
	-----
TOTAL EXPENSES	3,895,860
	-----
NET INVESTMENT INCOME (\$1.55 PER SHARE)	13,864,846
	-----
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Realized gain on investments before taxes	10,706,311
Income taxes paid	(478,945)
	-----
Net realized gain on investments	10,227,366
Net change in unrealized depreciation of investments	2,253,662
	-----
NET GAIN ON INVESTMENTS	12,481,028
	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 26,345,874
	=====

See Notes to Consolidated Financial Statements.

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## CONSOLIDATED STATEMENT OF CASH FLOWS

## MASSMUTUAL CORPORATE INVESTORS

For the nine months ended September 30, 2004  
(Unaudited)

NET DECREASE IN CASH:	
Cash flows from operating activities:	
Interest and dividends received	\$ 14,545,763
Interest expense paid	(1,161,616)
Operating expenses paid	(2,512,487)
Income taxes paid	(2,256,414)
	-----

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NET CASH PROVIDED BY OPERATING ACTIVITIES	8,615,246
Cash flows from investing activities:	
Purchases/Proceeds/Maturities from short-term portfolio securities, net	1,556,919
Purchase of portfolio securities	(103,119,586)
Proceeds from disposition of portfolio securities	93,211,218
NET CASH USED FOR INVESTING ACTIVITIES	(8,351,449)
NET CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES	263,797
Cash flows from financing activities:	
Proceeds from borrowings on Revolving Credit Agreement	6,000,000
Cash dividends paid from net investment income	(13,393,325)
NET CASH USED FOR FINANCING ACTIVITIES	(7,393,325)
NET DECREASE IN CASH	(7,129,528)
Cash - beginning of year	9,049,441
CASH - END OF PERIOD	\$ 1,919,913
RECONCILIATION OF NET INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES:	
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 26,345,874
Increase in investments	(23,858,052)
Increase in interest and dividends receivable	(1,870,363)
Increase in receivable for investments sold	(484,649)
Increase in other assets	(6,285)
Increase in payable for investments purchased	2,000,000
Decrease in management fee payable	(4,525)
Increase in interest payable	15,057
Decrease in accrued expenses	(95,791)
Decrease in accrued taxes payable	(1,777,469)
TOTAL ADJUSTMENTS TO NET ASSETS FROM OPERATIONS	(26,082,077)
NET CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES	\$ 263,797

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF  
CHANGES IN NET ASSETS

MASSMUTUAL CORPORATE INVESTORS

For the nine months ended September 30, 2004 and the year ended December 31, 2003

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	For the nine months ended 09/30/2004 (Unaudited)	Y 1
	-----	---
INCREASE IN NET ASSETS:		
OPERATIONS:		
Net investment income	\$ 13,864,846	\$
Net realized gain on investments	10,227,366	
Net change in unrealized depreciation of investments	2,253,662	
	-----	---
Net increase in net assets resulting from operations	26,345,874	
Net increase in shares of beneficial interest transactions	1,915,287	
Dividends to shareholders from:		
Net investment income (2004 - \$.96 per share; 2003 - \$1.84 per share)	(8,565,289)	
	-----	---
TOTAL INCREASE IN NET ASSETS	19,620,505	
NET ASSETS, BEGINNING OF YEAR	193,786,114	
	-----	---
NET ASSETS, END OF PERIOD/YEAR (INCLUDING UNDISTRIBUTED NET INVESTMENT INCOME IN 2004 - \$6,672,250; 2003 - \$1,372,693)	\$ 213,481,986	\$
	=====	==

See Notes to Consolidated Financial Statements.

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CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS                      MASSMUTUAL CORPORATE INVESTORS

Selected data for each common share outstanding:

	For the nine months ended 09/30/2004 (Unaudited)	-----	For the years ended D	
	-----	2003	2002	2001
	-----	-----	-----	-----
Net asset value:				
Beginning of year	\$ 21.84	\$ 19.40	\$ 20.07	\$ 20.74
Net investment income	1.55	1.44	1.53	1.70
Net realized and unrealized gain (loss) on investments	1.40	2.83	(0.59)	(0.53)

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Total from investment operations	2.95	4.27	0.94	1.17
Dividends from net investment income to common shareholders	(0.96)	(1.84)	(1.44)	(1.79)
Distributions from net realized gain on investments to common shareholders	0.00	0.00	(0.18)	(0.09)
Change from issuance of shares	0.00	0.01	0.01	0.04
Total distributions	(0.96)	(1.83)	(1.61)	(1.84)
Net asset value: End of period/year	\$ 23.83	\$ 21.84	\$ 19.40	\$ 20.07
Per share market value: End of period/year	\$ 24.15	\$ 22.90	\$ 19.49	\$ 20.70
Total investment return				
Market value	19.06%*	27.53%	1.35%	1.88%
Net asset value**	13.73%*	22.61%	4.80%	5.91%
Net assets (in millions): End of period/year	\$ 213.48	\$ 193.79	\$ 171.03	\$ 175.11
Ratio of operating expenses to average net assets	1.33%*	2.04%	1.82%	1.72%
Ratio of interest expense to average net assets	0.58%*	0.82%	0.86%	0.84%
Ratio of total expenses to average net assets	1.91%*	2.86%	2.68%	2.56%
Ratio of net investment income to average net assets	6.81%*	6.95%	7.65%	8.20%
Portfolio turnover	44.41%*	56.10%	34.02%	24.48%

\*Percentages represent results for the period and are not annualized.

\*\* Net asset value return represents portfolio returns based on change in the net asset value assuming dividends and distributions which differs from the total investment return based on market value of the net asset value and the market value of the shares outstanding; past performance is no guarantee.

See Notes to Consolidated Financial Statements.

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CONSOLIDATED SCHEDULE OF INVESTMENTS

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)



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CORPORATE RESTRICTED SECURITIES - 82.87%: (A)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
PRIVATE PLACEMENT INVESTMENTS - 72.85%		
A T I ACQUISITION COMPANY		
A for-profit post-secondary school serving students in Texas, Florida and Arizona.		
12% Senior Subordinated Note due 2012	\$ 2,125,000	04/08/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	2,323 shs.	04/08/04
A W C HOLDING COMPANY		
A manufacturer and distributor of aluminum and vinyl windows and doors in the Southwest and Southeast regions of the U.S.		
12% Senior Subordinated Note due 2012	\$ 2,125,000	05/18/04
Limited Partnership Interest (B)	250 uts.	05/18/04
ADORN, INC.		
A manufacturer of wall panels, cabinets, moldings and countertops for houses and recreational vehicles.		
12.5% Subordinated Note due 2010	\$ 2,125,000	02/29/00
Warrant, exercisable until 2010, to purchase common stock at \$.02 per share (B)	364 shs.	02/29/00
AMERICA'S BODY COMPANY, INC./LCP HOLDING CO.		
A designer and manufacturer of commercial work vehicles.		
12% Preferred Stock Series C (B)	\$ 395 shs.	12/16/03
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	58 shs.	*
AMERICAN HOSPICE MANAGEMENT		
A for-profit hospice care provider in the U.S.		
12% Senior Subordinated Note due 2010	\$ 2,125,000	01/22/04
Preferred Class A Unit (B)	2,525 uts.	01/22/04
Common Class B Unit (B)	3,042 uts.	01/22/04
BEACON MEDICAL PRODUCTS, INC.		
A designer, manufacturer and marketer of medical air and gas distribution systems.		
Senior Secured Floating Rate Revolving Credit Facility due 2007	\$ 115,318	04/09/02
Senior Secured Tranche A Floating Rate Note due 2008	\$ 899,928	04/09/02
12% Senior Secured Note due 2010	\$ 721,196	04/09/02
Limited Partnership Interest of Riverside Capital Appreciation Fund IV, L.P. (B)	1.12% int.	04/09/02
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	1,390 shs.	04/09/02

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\*11/02/98 and 12/16/03.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
<b>BETA BRANDS LTD</b>		
A manufacturer of hard candy and chocolate-coated products sold primarily to the Canadian market.		
5% Promissory Note due 2009 (B)	\$ 195,498	03/31/04
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	4,895 shs.	03/31/04
<b>BETTER MINERALS &amp; AGGREGATES</b>		
A producer of high grade industrial and specialty silica sands.		
14% Redeemable Preferred Stock (B)	997 shs.	09/30/99
Convertible Preferred Stock Series A and B, convertible into common stock at \$9.26 per share (B)	126,003 shs.	12/19/96
Common Stock (B)	20,027 shs.	09/30/99
Warrants, exercisable until 2005 and 2010, to purchase common stock at \$.01 per share (B)	11,399 shs.	*
<b>C &amp; M CONVEYOR, INC.</b>		
A manufacturer and supplier of material handling systems to the corrugated sheet and container industry.		
9.5% Senior Secured Term Note due 2007	\$ 996,235	09/13/02
11% Senior Subordinated Note due 2010	\$ 838,102	09/13/02
Common Stock (B)	316,265 shs.	09/13/02
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	137,175 shs.	09/13/02
<b>CAINS FOODS, L.P.</b>		
A producer of mayonnaise and sauce products for both the retail and food service markets.		
Limited Partnership Interest (B)	117 uts.	09/29/95
<b>CAPEUCCESS LLC</b>		
A provider of diversified staffing services.		
Preferred Membership Interests (B)	1,882 uts.	04/29/00
Common Membership Interests (B)	24,318 uts.	04/29/00

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CAPITAL SPECIALTY PLASTICS, INC.

A producer of desiccant strips used for packaging pharmaceuticals products.

Common Stock (B)	109 shs.	**
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CHEMED CORPORATION

An operator in the residential and commercial repair and maintenance service industry through two wholly owned subsidiaries, Roto-Rooter and Service America.

Common Stock (B)	20,000 shs.	02/24/04
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\*\*12/19/96 and 09/30/99.

\*\*12/30/97 and 05/29/99.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)                      MASSMUTUAL CORPORATE INVESTORS

September 30, 2004

(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----

COEUR, INC.

A producer of proprietary, disposable power injection syringes.

8.75% Senior Secured Term Note due 2010	\$ 570,652	04/30/03
11.5% Senior Subordinated Note due 2011	\$ 424,819	04/30/03
Common Stock (B)	126,812 shs.	04/30/03
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	87,672 shs.	04/30/03

COINING CORPORATION OF AMERICA LLC

A manufacturer of close tolerance parts and metal stampings.

Senior Secured Floating Rate Revolving Credit

Facility due 2006	\$ 108,025	01/07/02
Senior Secured Floating Rate Tranche A Note due 2007	\$ 1,020,834	06/26/01
13% Senior Secured Tranche B Note due 2006	\$ 648,148	06/26/01
Limited Partnership Interest (B)	6.38% int.	06/26/01
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	107,036 shs.	06/26/01

COLIBRI HOLDINGS CORPORATION

A manufacturer and distributor of wild bird feeders and accessories.

12.5% Senior Subordinated Note due 2008	\$ 1,593,750	09/22/00
28% Preferred Stock	71 shs.	11/02/01
20% Preferred Stock	66 shs.	03/09/04
Common Stock (B)	1,429 shs.	09/22/00
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	843 shs.	09/22/00

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CORVEST GROUP, INC.

A manufacturer and distributor of promotional products.

12% Senior Subordinated Note due 2007	\$ 3,863,636	*
Common Stock (B)	56 shs.	*
Limited Partnership Interest (B)	19.32% int.	*
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	324 shs.	*

DELSTAR HOLDING CORPORATION

A manufacturer of plastic netting for a wide variety of industries.

Convertible Preferred Stock, convertible into common stock at \$12.16 per share (B)	3,514 shs.	10/05/01
Preferred Stock (B)	412 shs.	09/16/04

\*03/05/99 and 03/24/99.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
DEXTER MAGNETICS TECHNOLOGIES, INC.		
A designer, fabricator, assembler and distributor of industrial magnets and subassemblies in North America and Europe.		
12% Senior Subordinated Note due 2006	\$ 461,956	07/19/01
Common Stock (B)	585 shs.	07/19/01
Warrant, exercisable until 2006, to purchase common stock at \$.01 per share (B)	297 shs.	07/19/01
DIRECTED ELECTRONICS, INC.		
A designer and distributor of brand name automotive security systems, audio products and installation accessories.		
Class B Common Stock (B)	36,633 shs.	12/22/99
Limited Partnership Interest (B)	8.70% int.	12/22/99
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	48,569 shs.	12/22/99
DIVERSCO, INC./DHI HOLDINGS, INC.		
A contract provider of janitorial and equipment maintenance services and temporary production labor to industrial customers.		
Membership Interests of MM/Lincap Diversco Investments Ltd. LLC (B)	27.19% int.	8/27/98

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Preferred Stock (B) 3,278 shs. 12/14/01 2,784,133 1,392,069  
Warrants, exercisable until 2011, to purchase common  
stock of DHI Holdings, Inc. at \$.01 per share (B)

13,352 shs.

\*

DWYER GROUP, INC.

A franchiser of a variety of home repair services.

14% Senior Subordinated Note due 2011

\$ 1,859,375

10/30/03

Common Stock (B)

6,906 shs.

\*\*

Warrant, exercisable until 2011, to purchase  
common stock at \$.01 per share (B)

2,034 shs.

10/30/03

E X C ACQUISITION CORPORATION

A manufacturer of pre-filled syringes and pump systems  
used for intravenous drug delivery.

15% Senior Subordinated Note due 2012

\$ 2,125,000

06/28/04

Warrant, exercisable until 2014, to purchase  
common stock at \$.01 per share (B)

22 shs.

06/28/04

EAGLE PACK PET FOODS, INC.

A manufacturer of premium pet food sold through  
independent pet stores.

14% Senior Subordinated Note due 2011

\$ 1,062,500

09/24/04

Warrant, exercisable until 2011, to purchase  
common stock at \$.01 per share (B)

4,085 shs.

09/24/04

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

\*\*10/30/03 and 01/02/04.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004

(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)

	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----

EAGLE WINDOW & DOOR HOLDING CO.

A manufacturer of wood and aluminum-clad  
wood windows and doors.

12% Senior Subordinated Note due 2010

\$ 1,900,000

05/06/02

Common Stock (B)

225 shs.

05/06/02

Warrant, exercisable until 2010, to purchase  
common stock at \$.01 per share (B)

441 shs.

05/06/02

EAST RIVER VENTURES I, L.P.

An acquirer of controlling or substantial interests

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in other entities.

Limited Partnership Interest (B)	0.14% int.	01/01/01
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ENZYMATIC THERAPY, INC.

A manufacturer and distributor of branded natural medicines and nutritional supplements.

13% Senior Subordinated Note due 2005 (B)	\$ 1,593,750	09/17/02
Limited Partnership Interest (B)	1.32% int.	03/30/00
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	478 shs.	03/30/00

EURO-PRO CORPORATION

A designer, marketer and distributor of floor care, steam cleaning and small kitchen products and appliances.

13.25% Senior Subordinated Note due 2011	\$ 2,125,000	09/09/03
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	43,878 shs.	09/09/03

EVANS CONSOLES, INC.

A designer and manufacturer of consoles and control center systems.

10% Senior Secured Note due 2006	\$ 602,000	05/06/04
Limited Partnership Interest of CM Equity Partners (B)	2.24% int.	02/11/98
Common Stock (B)	90,000 shs.	05/06/04

EXAMINATION MANAGEMENT SERVICES, INC.

A national full-service evidence provider to the insurance industry and a provider of occupational health testing.

12% Senior Subordinated Note due 2007	\$ 2,109,637	03/16/99
Limited Partnership Interest (B)	13.14% int.	03/02/99
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	77,233 shs.	03/16/99

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----

G C-SUN HOLDINGS, L.P.

A value-added national distributor of maintenance, repair and operating supplies such as fasteners, electrical components and tools.

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12% Senior Subordinated Note due 2008 (B)	\$ 1,725,000	03/02/00
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	880 shs.	03/02/00
 HAMILTON FUNERAL SERVICES CENTERS, INC. A privately held owner and operator of funeral homes in the United States.		
16.5% Senior Subordinated Note due 2007 (B)	\$ 3,802,712	*
Warrant, exercisable until 2007, to purchase common stock at \$1 per share (B)	338,280 shs.	*
 HIGHGATE CAPITAL LLC An acquirer of controlling or substantial interests in manufacturing and marketing entities.		
Series A Preferred Units (B)	1.19% int.	07/21/94
 HOME DeCOR HOLDING COMPANY A designer, manufacturer and marketer of framed art and wall decor products.		
12.5% Senior Subordinated Note due 2012	\$ 2,043,269	**
Common Stock (B)	63 shs.	**
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	200 shs.	**
 HUSSEY SEATING CORPORATION A manufacturer of spectator seating products.		
Senior Secured Floating Rate Revolving Note due 2006	\$ 1,343,106	06/12/96
Senior Secured Floating Rate Note due 2006	\$ 433,125	***
12% Senior Subordinated Note due 2006	\$ 1,350,000	03/31/03
Common Stock (B)	4,771 shs.	03/12/04
 INTEGRATION TECHNOLOGY SYSTEMS, INC. A manufacturer of steel protective computer and network systems for the industrial and office environments.		
16.5% Senior Secured Note due 2006	\$ 1,603,175	03/01/04
Common Stock (B)	228 shs.	06/01/00

\*01/25/99 and 07/16/99.  
\*\*06/30/04 and 08/19/04.  
\*\*\*06/12/96 and 08/03/01.

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CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Warrants, Ownership or Principal Amount -----	Acquisition Date -----
<b>JASON, INC.</b>		
A diversified manufacturing company serving various industrial markets.		
13% Senior Subordinated Note due 2008	\$ 963,687	08/04/00
14% Cumulative Redeemable Preferred Stock Series A (B) Limited Partnership Interest of Saw Mill Capital Fund II, L.P. (B)	289 shs.	08/04/00
Warrants, exercisable until 2008 and 2009, to purchase common stock at \$.01 per share (B)	2.50% int.	08/03/00
	50,870 shs.	08/04/00
<b>KEEPSAKE QUILTING, INC.</b>		
A seller of quilting fabrics, books, patterns, kits and notions to consumers.		
Senior Secured Floating Rate Revolving Note Due 2005	\$ 128,425	06/16/00
Senior Secured Floating Rate Tranche A Note due 2007	\$ 729,269	06/16/00
12% Senior Secured Tranche B Note due 2008	\$ 550,392	06/16/00
Limited Partnership Interest of Riverside XVI Holding Company, L.P. (B)	5.29% int.	06/12/00
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	1,108 shs.	06/12/00
<b>KELE AND ASSOCIATES, INC.</b>		
A distributor of building automation control products.		
12% Senior Subordinated Note due 2012	\$ 1,831,548	02/27/04
Preferred Stock Class A (B)	23 shs.	02/27/04
Common Stock (B)	12 shs.	02/27/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	11 shs.	02/27/04
<b>KENAN-ADVANTAGE TRANSPORT COMPANY</b>		
A transporter of light petroleum, petrochemicals, lubricants and residual fuels.		
12.5% Senior Subordinated Note due 2009	\$ 1,817,435	04/30/01
Preferred Stock (B)	307 shs.	04/30/01
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	269 shs.	04/30/01
<b>LANCASTER LABORATORIES, INC.</b>		
A laboratory testing operation in the United States.		
Common Stock (B)	455,739 shs.	09/25/00
<b>LIH INVESTORS, L.P.</b>		
A manufacturer and marketer of a broad line of external accessories for new and used sport utility vehicles, trucks and vans.		
12.5% Senior Subordinated Note due 2006	\$ 3,845,000	*
Common Stock (B)	5,800 shs.	*
Warrant, exercisable until 2006, to purchase common stock at \$.11 per share (B)	15,572 shs.	*



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\*12/23/98 and 1/28/99.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
<b>MAVERICK ACQUISITION COMPANY</b>		
A manufacturer of capsules that cover the cork and neck of wine bottles.		
Senior Secured Floating Rate Revolving Note due 2009	\$ 13,496	09/03/04
Senior Secured Floating Rate Tranche A Note due 2010	\$ 783,582	09/03/04
12% Senior Secured Tranche B Note due 2011	\$ 313,433	09/03/04
Limited Partnership Interest (B)	58,769 uts.	09/03/04
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	425 shs.	09/03/04
 <b>MAXON CORPORATION</b>		
A manufacturer of industrial combustion equipment and related shut-off valves and control valves.		
12% Senior Subordinated Note due 2012	\$ 962,215	09/30/04
8.75% Senior Subordinated Note due 2012	\$ 1,281,112	09/30/04
Common Stock (B)	381,672 shs.	09/30/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	153,572 shs.	09/30/04
 <b>MEDASSIST, INC.</b>		
A provider of patient eligibility and accounts receivable management services to hospitals and physician practices.		
12% Senior Subordinated Note due 2011	\$ 2,125,000	05/01/03
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	83,214 shs.	05/01/03
 <b>MOSS, INC.</b>		
A manufacturer and distributor of large display and exhibit structures.		
Senior Secured Floating Rate Tranche A Note due 2007	\$ 951,601	09/21/00
12% Senior Secured Tranche B Note due 2008	\$ 336,200	09/21/00
Limited Partnership Interest of Riverside Capital Appreciation Fund I, L.P. (B)	7.47% int.	*
Warrant, exercisable until 2008, to purchase		

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common stock at \$100 per share (B) 463 shs. 09/21/00

MUSTANG VENTURES COMPANY

A natural gas gathering and processing operation located in Oklahoma and Texas.

Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) 16,535 shs. 12/11/02

NEFF MOTIVATION, INC.

A manufacturer and distributor of customized awards and sportswear to schools.

12.5% Senior Subordinated Note due 2011 \$ 1,062,500 01/31/03

Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B) 212 shs. 01/31/03

\* 09/20/00 and 05/23/02.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----

NONNI'S FOOD COMPANY, INC.

A producer and distributor of premium biscotti and bagel chips in North America.

12.25% Senior Subordinated Note due 2012 \$ 1,863,462 03/29/04

10% Preferred Stock 255 shs. 03/29/04

Common Stock (B) 6,455 shs. 03/29/04

Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B) 8,622 shs. 03/29/04

NPC, INC.

A manufacturer of flexible connectors and equipment used in the installation of sewers and storm drain pipelines.

Senior Secured Floating Rate Revolving Note due 2006 \$ 414,182 06/25/99

Senior Secured Floating Rate Note due 2006 \$ 2,024,364 06/25/99

12% Senior Secured Tranche B Note due 2007 \$ 978,814 06/25/99

Limited Partnership Interest of Riverside XIII Holding Company L.P. (B) 3.38% int. 06/11/99

Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B) 201 shs. 06/25/99

NYLONCRAFT, INC.

A supplier of engineered plastic components

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for the automotive industry.

9% Senior Secured Note due 2009	\$ 812,500	01/28/02
11.5% Senior Subordinated Note due 2012	\$ 1,500,000	01/28/02
Common Stock (B)	312,500 shs.	01/28/02
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	243,223 shs.	01/28/02

OLYMPIC SALES, INC.

A boat retailer in Washington state, Oregon, California and British Columbia.

12% Senior Subordinated Note due 2006	\$ 2,774,000	08/07/98
12% Senior Subordinated Note due 2008	\$ 307,071	02/09/00
Limited Partnership Interest of Riverside VIII, VIII-A and VIII-B Holding Company, L.P. (B)	1,531,250 shs.	*
Warrants, exercisable until 2007 and 2008, to purchase common stock at \$.01 per share (B)	28,648 shs.	**

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 2008	\$ 2,125,000	12/19/00
Membership Interests of MM/Lincap PPI Investments, Inc., LLC (B)	2.42% int.	12/21/00

\*08/07/98, 02/23/99, 12/22/99 and 02/25/03.

\*\*08/07/98 and 02/09/00.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
P H I HOLDING COMPANY		
A retailer of mid-priced gift items, home and garden decor, accessories and other similar consumer products.		
12.5% Senior Subordinated Note due 2010	\$ 2,125,000	10/25/02
Warrant, exercisable until 2010, to purchase common stock at \$.02 per share (B)	351 shs.	10/25/02
POLYMER TECHNOLOGIES, INC./POLI-TWINE WESTERN, INC.		
A manufacturer of polypropylene twine for the hay bailing marketplace.		
8% Senior Subordinated Note due 2010 (B)	\$ 499,977	09/27/02

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PRECISION DYNAMICS, INC.

A manufacturer of custom-designed solenoid valves and controls.

Senior Secured Floating Rate Revolving Credit Facility due 2004	\$ 733,500	07/22/96
Senior Secured Floating Rate Term Note due 2004	\$ 700,900	07/22/96
12% Senior Secured Term Note due 2004	\$ 326,000	07/22/96
8% Preferred Stock (B)	374 shs.	07/22/96
Common Stock (B)	599 shs.	07/22/96
Warrant, exercisable until 2004, to purchase common stock at \$.01 per share (B)	322 shs.	07/22/96

PROCESS CHEMICALS LLC

A specialty chemical company that manufactures processed chemicals for the fertilizer, asphalt and concrete industries.

Common Membership Interests	9,863 uts.	*
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PROTEIN GENETICS, INC.

A producer of bovine artificial insemination products, related breeding and healthcare products and specialty genetics sold to the dairy and beef industries.

9.8% Redeemable Exchangeable Preferred Stock (B)	1,004 shs.	08/12/94
Common Stock (B)	2,600 shs.	**

PW EAGLE, INC. - O.T.C.

An extruder of small and medium diameter plastic pipe and tubing in the United States.

18% Senior Subordinated Note due 2007	\$ 3,639,961	09/16/99
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	197,040 shs.	09/16/99

\*07/31/97 and 01/04/99.

\*\*11/14/01 and 08/12/94.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----

QUALIS AUTOMOTIVE LLC

A distributor of aftermarket automotive brake and chassis products.

12% Senior Subordinated Note due 2012	\$ 1,770,834	05/28/04
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Common Stock (B)	354,166 shs.	05/28/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	377,719 shs.	05/28/04
QUALSERV CORPORATION		
A provider of foodservice equipment and supplies, to major restaurant chains and their franchisees.		
14% Senior Subordinated Note due 2012	\$ 1,865,854	07/09/04
Limited Partnership Interest (B)	259,146 uts.	07/09/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	528 shs.	07/09/04
RIVER RANCH FRESH FOODS LLC		
A supplier of fresh produce to the retail and foodservice channels.		
13% Senior Subordinated Note due 2011	\$ 1,841,667	09/29/04
Limited Partnership Interest (B)	283,333 uts.	09/29/04
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	23,715 shs.	09/29/04
ROYAL BATHS MANUFACTURING COMPANY		
A manufacturer and distributor of acrylic and cultured marble bathroom products.		
12.5% Senior Subordinated Notes due 2011	\$ 1,062,500	11/14/03
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	140 shs.	11/14/03
SAFETY SPEED CUT MANUFACTURING COMPANY, INC.		
A manufacturer of vertical panel saws and routers for the wood working industry.		
Senior Secured Floating Rate Revolving Note due 2006	\$ 282,663	05/01/03
Senior Secured Floating Rate Tranche A Note due 2007	\$ 1,389,760	06/02/99
12% Senior Secured Tranche B Note Due 2007	\$ 1,130,652	06/02/99
Class B Common Stock (B)	1,480 shs.	06/02/99
SAVAGE SPORTS HOLDINGS, INC.		
A manufacturer of sporting firearms.		
12% Senior Subordinated Note due 2012	\$ 1,583,793	09/10/04
Common Stock (B)	586 shs.	09/10/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	134 shs.	09/10/04

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004

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(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount -----	Acquisition Date -----
<b>SELIG ACQUISITION CORPORATION</b>		
A manufacturer of container sealing materials for bottles used in consumer products.		
12% Senior Subordinated Note due 2009	\$ 2,125,000	06/13/02
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	2,011 shs.	06/13/02
<b>SHELTER ACQUISITION, INC.</b>		
A distributor of roofing supplies and products throughout the Midwest.		
12.5% Senior Subordinated Note due 2008	\$ 1,517,857	08/01/02
Common Stock (B)	758,929 shs.	*
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	263,444 shs.	08/01/02
<b>SNYDER INDUSTRIES, INC.</b>		
A manufacturer of proprietary rotationally molded polyethylene containers.		
12.25% Senior Subordinated Note due 2007	\$ 3,125,000	12/06/99
Warrant, exercisable until 2007, to purchase common stock at \$.01 per share (B)	513 shs.	12/06/99
<b>SPECIALTY FOODS GROUP, INC.</b>		
A manufacturer and distributor of branded meat products.		
Limited Partnership Interest of MHD Holdings LLC (B)	1.43% int.	08/29/00
<b>SPORT COURT INTERNATIONAL, INC.</b>		
A designer and manufacturer of synthetic indoor and outdoor sports flooring and other temporary flooring products.		
Senior Secured Floating Rate Revolving Note due 2009	\$ 185,750	08/12/04
Senior Secured Floating Rate Note due 2009	\$ 527,171	08/12/04
12% Senior Secured Note due 2012	\$ 254,282	08/12/04
Limited Partnership Interest (B)	65,830 uts.	08/12/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	33 shs.	08/12/04
<b>STRATEGIC EQUIPMENT &amp; SUPPLY CORPORATION, INC.</b>		
A provider of kitchen and restaurant design, equipment fabrication and installation services.		
12% Senior Subordinated Note due 2008	\$ 3,875,000	01/14/00
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	106,539 shs.	01/14/00

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\* 08/01/02 and 01/17/03

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
<b>SYNVENTIVE EQUITY LLC</b>		
A manufacturer of hot runner systems used in the plastic injection molding process.		
12% Senior Subordinated Note due 2007	\$ 1,841,667	08/21/03
Limited Partnership Interest (B)	0.61% int.	08/20/03
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	86,780 shs.	08/21/03
<b>THE TRANZONIC COMPANIES</b>		
A producer of commercial and industrial supplies, such as safety products, janitorial supplies, work apparel, washroom and restroom supplies and sanitary care products.		
13% Senior Subordinated Note due 2009	\$ 2,712,000	02/05/98
Common Stock (B)	630 shs.	02/04/98
Warrant, exercisable until 2006, to purchase common stock at \$.01 per share (B)	444 shs.	02/05/98
<b>TIDEWATER HOLDINGS, INC.</b>		
An operator of a barge transportation line on the Columbia/Snake River system.		
17% Preferred Stock (B)	560 shs.	12/23/02
Convertible Preferred Stock, convertible into common stock at \$1,000 per share (B)	1,120 shs.	07/25/96
Warrant, exercisable until 2008, to purchase common stock at \$.01 per share (B)	474 shs.	07/25/96
<b>TINNERMAN-PALNUT ENGINEERED COMPONENTS</b>		
A manufacturer of precision engineered metal and plastic fasteners and assembly components.		
12.75% Senior Subordinated Note due 2008	\$ 1,125,000	12/06/01
Class B Unit (B)	100,000 uts.	12/06/01
Class C Unit (B)	174,125 uts.	12/06/01
<b>TOMAH HOLDINGS, INC.</b>		
A manufacturer of specialty chemicals.		
16% Senior Subordinated Note due 2011	\$ 1,416,667	12/08/03
16% Preferred Stock Series A (B)	37 shs.	12/08/03
Common Stock (B)	5,269 shs.	12/08/03

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TRONAIR, INC.

A designer, engineer and manufacturer of ground support equipment for the business, commuter and commercial aviation markets.

10.5% Senior Secured Term Note due 2008	\$ 1,579,293	01/20/00
12% Senior Subordinated Note due 2010	\$ 1,326,500	01/20/00
Common Stock (B)	227,400 shs.	01/20/00
Warrant, exercisable until 2010, to purchase common stock at \$1 per share (B)	260,563 shs.	01/20/00

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)                      MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
	-----	-----
TRUSTILE DOORS, INC.		
A manufacturer and distributor of interior doors.		
12.5% Senior Subordinated Note due 2010	\$ 1,062,500	04/11/03
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	5,781 shs.	04/11/03
TUBULAR TEXTILE MACHINERY		
A designer, manufacturer, sale and servicer of finishing machinery for the knit and woven segments of the global textile industry.		
12% Senior Subordinated Note due 2014	\$ 1,234,551	05/28/04
8.75% Senior Secured Note due 2011	\$ 716,292	05/28/04
Common Stock (B)	674,157 shs.	05/28/04
Warrant, exercisable until 2012, to purchase common stock at \$1 per share (B)	203,912 shs.	05/28/04
TVI, INC.		
A retailer of used clothing in the United States, Canada and Australia.		
Common Stock (B)	354,167 shs.	05/02/00
U S M HOLDINGS CORP.		
A provider of facility maintenance services to retail and corporate clients with multiple locations.		
12% Senior Subordinated Note due 2011	\$ 1,789,474	08/06/03
Preferred Stock (B)	3,345 shs.	08/06/03
Common Stock (B)	1,032 shs.	08/06/03



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Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	949 shs.	08/06/03
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### U-LINE CORPORATION

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

12.5% Senior Subordinated Note due 2012	\$ 1,882,100	04/30/04
10% Jr Subordinated Note due 2012	\$ 60,700	04/30/04
Common Stock (B)	182 shs.	04/30/04
Warrant, exercisable until 2012, to purchase common stock at \$1 per share (B)	230 shs.	04/30/04

### VICTORY VENTURES LLC

An acquirer of controlling or substantial interests in other entities.

Series A Preferred Units (B)	0.13% int.	12/02/96
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## CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.)                      MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

	Shares, Units, Warrants, Ownership or Principal Amount	Acquisition Date
CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	-----	-----
 <b>VITALITY FOODSERVICE, INC.</b>		
A non-carbonated beverage dispensing company focused on the foodservice industry.		
13% Senior Subordinated Note due 2011	\$ 1,887,288	09/24/04
Common Stock (B)	23,771 shs.	09/24/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	23,787 shs.	09/24/04
 <b>VITEX PACKAGING GROUP, INC.</b>		
A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags and medical and food products.		
12.5% Senior Subordinated Note due 2012	\$ 1,700,000	07/19/04
Limited Partnership Interest Class A (B)	414,375 uts.	07/19/04
Limited Partnership Interest Class B (B)	182,935 uts.	07/19/04
 <b>WALLS INDUSTRIES, INC.</b>		
A provider of branded workwear and sporting goods apparel.		
10% Senior Subordinated Lien Note due 2009	\$ 1,043,860	07/12/04
14% Senior Subordinated Note due 2012	\$ 1,043,859	07/12/04
Limited Partnership Interest (B)	37,281 uts.	07/12/04
Warrant, exercisable until 2014, to purchase		

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common stock at \$.01 per share (B) 4,029 shs. 07/12/04

WASHINGTON INVENTORY SERVICES, INC.

A provider of physical inventory taking and other related services to retailers.

12.5% Senior Subordinated Note due 2011	\$ 1,075,768	11/03/00
Senior Preferred Stock (B)	4,692 shs.	11/01/00
Class B Common Stock (B)	8,959 shs.	11/01/00
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	3,979 shs.	11/03/00

WEASLER HOLDINGS LLC

A manufacturer of mechanical power transmission components for the agricultural, lawn and turf industries.

Limited Partnership Interest (B)	1.55% int.	02/03/03
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	256 shs.	02/04/03

WICOR AMERICAS, INC.

A manufacturer of cellulose based insulation products, systems and services for electrical transformer equipment manufacturers.

20% Senior Subordinated Secured Note due 2009	\$ 2,520,040	11/09/01
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TOTAL PRIVATE PLACEMENT INVESTMENTS

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE RESTRICTED SECURITIES (A) (CONTINUED)	Interest Rate	Due Date	Shares or Principal Amount	Cost
	----	----	-----	----
RULE 144A SECURITIES - 10.02%: (A)				
BONDS - 9.63%				
A E S Corporation	8.750%	05/15/13	\$ 1,025,000	\$ 1,131,59
A E S Corporation	9.000	05/15/15	200,000	200,00
Appleton Papers Inc.	8.125	06/15/11	300,000	300,00
Argo Tech Corporation	9.250	06/01/11	850,000	850,00
BCP Caylux Holding Lux SCA	9.625	06/15/14	750,000	752,45
Blockbuster, Inc.	9.000	09/01/12	350,000	350,00
Bombardier Capital, Inc.	6.300	05/01/14	1,000,000	890,00
Cablevision Systems Corporation	5.670	04/01/09	1,000,000	1,000,00
Cadmus Communications Corporation	8.375	06/15/14	750,000	750,00

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Calpine Corporation	8.750	07/15/13	500,000	465,000
Charter Communications Op LLC	8.000	04/30/12	250,000	249,37
Chesapeake Energy Corporation	7.000	08/15/14	325,000	325,00
Collins & Aikman Products Co.	12.875	08/24/12	300,000	289,32
Dana Credit Corporation	8.375	08/15/07	500,000	500,00
GulfMark Offshore, Inc.	7.750	07/15/14	565,000	562,59
Imax Corporation	9.625	12/01/10	500,000	500,00
Interactive Health LLC	7.250	04/01/11	900,000	732,62
Jostens I H Corporation	7.625	10/01/12	1,250,000	1,250,00
K 2, Inc.	7.375	07/01/14	325,000	325,00
Land O'Lakes, Inc.	9.000	12/15/10	750,000	750,00
M G M Mirage, Inc.	6.000	10/01/09	375,000	380,59
Metaldyne Corporation	10.000	11/01/13	510,000	514,06
N R G Energy, Inc.	8.000	12/15/13	700,000	700,00
North American Energy Partners	8.750	12/01/11	400,000	400,00
O E D Corp/Diamond Jo Company Guarantee	8.750	04/15/12	1,000,000	985,96
Pacific Energy Partners	7.125	06/15/14	500,000	491,27
Pinnacle Foods Holding	8.250	12/01/13	450,000	450,00
Sheridan Acquisition Corporation	10.250	08/15/11	375,000	370,00
Siebe PLC	6.500	01/15/10	650,000	572,00
Stanadyne Corporation	10.000	08/15/14	1,500,000	1,500,00
Tenet Healthcare Corporation	9.875	07/01/14	500,000	488,37
Warner Music Group	7.375	04/15/14	275,000	275,00
Wornick Co.	10.875	07/15/11	750,000	750,00
			-----	-----
TOTAL BONDS			\$ 20,375,000	20,050,23
			=====	-----
COMMON STOCK - 0.00%				
Jordan Telecom Products (B)			70	\$ 14,00
				-----
TOTAL COMMON STOCK				14,00
				-----
CONVERTIBLE BONDS - 0.39%				
Cymer, Inc.	3.500%	02/15/09	\$ 850,000	\$ 850,00
			-----	-----
TOTAL CONVERTIBLE BONDS			\$ 850,000	850,00
			=====	-----
CONVERTIBLE PREFERRED STOCK - 0.00%				
D T Industries, Inc. (B)			20,000	\$ 1,000,00
				-----
TOTAL CONVERTIBLE PREFERRED				1,000,00
				-----
WARRANTS - 0.00%				
Winsloew Furniture, Inc. (B)			900	\$
				-----
TOTAL WARRANTS				
				-----
TOTAL RULE 144A SECURITIES				21,914,24
				-----
TOTAL CORPORATE RESTRICTED SECURITIES				\$192,545,06
				-----

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

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CORPORATE PUBLIC SECURITIES - 23.15%: (A)	Interest Rate ----	Due Date ----	Principal Amount -----	Cost ----
BONDS - 20.28%				
A E P Industries, Inc.	9.875%	11/15/07	\$ 350,000	\$ 333,37
Activant Solutions Inc	10.500	06/15/11	700,000	703,73
Aearo Co.	8.250	04/15/12	450,000	450,00
Alamosa Delaware, Inc.	11.000	07/31/10	325,000	330,47
Alamosa Delaware, Inc.	8.500	01/31/12	400,000	400,00
Allied Waste NA	7.375	04/15/14	1,000,000	975,00
American Media Operation, Inc.	8.875	01/15/11	900,000	901,71
Bally Total Fitness Holding Corporation	9.875	10/15/07	135,000	128,92
C S C Holdings, Inc.	7.625	04/01/11	500,000	502,24
Cenveo Corporation	7.875	12/01/13	1,100,000	1,100,00
Charter Comm Holdings LLC	10.000	04/01/09	1,000,000	815,00
Chemed Corporation	8.750	02/24/11	1,125,000	1,125,00
Cincinnati Bell, Inc.	8.375	01/15/14	1,100,000	1,007,50
Collins & Aikman Products Co.	10.750	12/31/11	700,000	722,07
Dana Corporation	9.000	08/15/11	500,000	526,97
Del Monte Corporation	8.625	12/15/12	225,000	225,00
Dollar Financial Group	9.750	11/15/11	600,000	600,00
Dominos, Inc.	8.250	07/01/11	292,000	289,89
Dynegy Holdings, Inc.	6.875	04/01/11	500,000	422,50
Esterline Technologies	7.750	06/15/13	200,000	200,00
Flextronics Intl Ltd	6.500	05/15/13	400,000	400,00
G F S I, Inc.	9.625	03/01/07	750,000	673,41
Gencorp, Inc.	9.500	08/15/13	400,000	400,00
General Nutrition Center	8.500	12/01/10	800,000	820,53
Goodyear Tire & Rubber Co.	7.857	08/15/11	650,000	607,75
Great Lakes Dredge & Dock Corporation	7.750	12/15/13	750,000	679,25
Houghton Mifflin Co.	9.875	02/01/13	1,000,000	1,056,67
Huntsman LLC	11.625	10/15/10	500,000	494,07
Intrawest Corporation	7.500	10/15/13	500,000	500,00
Koppers Inc.	9.875	10/15/13	700,000	700,00
Leucadia National Corporation	7.000	08/15/13	650,000	663,80
Lodgenet Entertainment Corp.	9.500	06/15/13	425,000	425,00
Lyondell Chemical Co.	9.500	12/15/08	900,000	923,53
M C I, Inc.	7.735	05/01/14	1,000,000	905,00
M S X International, Inc.	11.000	10/15/07	350,000	347,00
Majestic Star Casino LLC	9.500	10/15/10	500,000	500,00
Manitowoc Company, Inc.	7.125	11/01/13	200,000	200,00
Mediacom LLC/Mediacom Capital	9.500	01/15/13	1,150,000	1,136,00
Metaldyne Corporation	11.000	06/15/12	750,000	601,25
Mrs Fields Brands/Finance	11.500	03/15/11	750,000	713,71
Nalco Company	7.750	11/15/11	500,000	500,00
National Wine & Spirits, Inc.	10.125	01/15/09	500,000	485,25
Neff Corporation	10.250	06/01/08	170,000	168,06
Nextel Communications Corporation	7.375	08/01/15	700,000	714,23
Numatics, Inc.	9.625	04/01/08	550,000	539,70
O M Group, Inc.	9.250	12/15/11	750,000	777,88
Offshore Logistics, Inc.	6.125	06/15/13	450,000	450,00
Pliant Corporation	0.000	06/15/09	875,000	743,97
Pliant Corporation	13.000	06/01/10	1,000,000	936,87
Quintiles Transnational Corporation	10.000	10/01/13	500,000	500,00
Rayovac Corporation	8.500	10/01/13	200,000	200,00
Rent-A-Center, Inc.	7.500	05/01/10	400,000	400,00
Rent-Way, Inc.	11.875	06/15/10	800,000	848,34
Rhodia SA	10.250	06/01/10	800,000	830,16
Rhodia SA	8.875	06/01/11	500,000	499,66
S P X Corporation	6.250	06/15/11	400,000	400,00

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Sea Containers Ltd.	10.500	05/15/12	785,000	765,06
Service Corp International	6.000	12/15/05	41,000	41,23

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)                      MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

CORPORATE PUBLIC SECURITIES: (A) (CONTINUED)	Interest Rate	Due Date	Shares or Principal Amount	Cost
	----	----	-----	----
Ship Finance Intl Ltd	8.500%	12/15/13	\$ 750,000	\$ 750,00
Sports Club Co.	11.375	03/15/06	150,000	145,50
Tekni-Plex, Inc.	12.750	06/15/10	1,000,000	960,12
Telex Communications, Inc.	11.500	10/15/08	500,000	500,00
Telex Communications, Inc.	0.000	01/15/09	471,915	206,82
Tenet Healthcare Corporation	6.375	12/01/11	500,000	482,50
Tenneco Automotive, Inc.	10.250	07/15/13	400,000	400,00
Thermadyne LLC	9.250	02/01/14	750,000	738,75
Triton P C S, Inc.	8.500	06/01/13	550,000	550,00
United Rentals, Inc.	7.750	11/15/13	625,000	625,00
United Rentals, Inc.	7.000	02/15/14	500,000	500,00
Vicorp Restaurants Inc	10.500	04/15/11	600,000	592,74
Von Hoffman Press, Inc.	10.250	03/15/09	200,000	209,79
Vought Aircraft Industries	8.000	07/15/11	1,000,000	1,001,16
Williams Scotsman, Inc.	9.875	06/01/07	500,000	492,50
Winsloew Furniture, Inc.	12.750	08/15/07	455,000	444,62
TOTAL BONDS			\$ 44,099,915	42,906,41
COMMON STOCK - 2.37%			=====	-----
D T Industries, Inc. (B)			178,876	\$ 1,168,09
E O S International, Inc. (B)			100,000	300,00
H C I Direct, Inc. (B)			1,000	--
PepsiAmericas, Inc.			92,145	2,006,36
Rent-Way, Inc. (B)			92,866	916,26
Supreme Industries, Inc.			115,722	267,32
T G C Industries, Inc. (B)			6,361	9,49
Transmontaigne, Inc. (B)			333,326	1,109,17
TOTAL COMMON STOCK				5,776,71
CONVERTIBLE BONDS - 0.50%				-----
Leucadia National Corporation	3.750%	04/15/14	\$ 1,000,000	\$ 1,000,00
TOTAL CONVERTIBLE BONDS			\$ 1,000,000	1,000,00
			=====	-----
PREFERRED STOCK - 0.00%				-----
Telex Communications, Inc.			17,707	\$
TOTAL PREFERRED STOCK				-----
WARRANTS - 0.00%				-----
Telex Communications, Inc.			698	\$

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TOTAL WARRANTS					-----
TOTAL CORPORATE PUBLIC SECURITIES					\$ 49,683,14
					-----
SHORT-TERM SECURITIES:	Interest	Due	Principal		
	Rate/Yield	Date	Amount	Cost	
	-----	----	-----	----	
COMMERCIAL PAPER - 2.25%					
Textron Financial Corporation	1.800%	10/06/04	\$ 3,205,000	\$ 3,204,19	
Wisconsin Electric Power Co.	1.760	10/04/04	1,590,000	1,589,76	
			-----	-----	
TOTAL SHORT-TERM SECURITIES			\$ 4,795,000	\$ 4,793,96	
			=====	-----	
TOTAL INVESTMENTS	108.27%				\$247,022,17
					=====
Other Assets	5.32				
Liabilities	(13.59)				
	-----				
TOTAL NET ASSETS	100.00%				
	=====				

- (A) In each of the convertible note, warrant, convertible preferred and common stock investments, agreed to provide certain registration rights.  
(B) Non-income producing security.

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

INDUSTRY CLASSIFICATION:	Fair Value/ Market Value	INDUSTRY CLASSIFICATION: (C
	-----	
AEROSPACE - 1.97%		BUILDINGS & REAL ESTATE -
Argo Tech Corporation	\$ 911,625	A W C Holding Company
Esterline Technologies	214,000	Adorn, Inc.
Qualis Automotive LLC	2,123,226	Eagle Window & Door Holdin
Vought Aircraft Industries	960,000	Shelter Acquisition, Inc.
	-----	TruStile Doors, Inc.
	4,208,851	
	-----	
AUTOMOBILE - 7.77%		CARGO TRANSPORT - 2.43%
America's Body Company, Inc./LCP Holding Co.	2,625,002	Kenan-Advantage Transport
Collins & Aikman Products Co.	976,750	Ship Finance International
Dana Corporation	603,750	Tidewater Holdings, Inc.
Gencorp, Inc.	428,000	
Goodyear Tire & Rubber Co.	612,625	
Jason, Inc.	1,573,293	CHEMICAL, PLASTICS & RUBBE

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LIH Investors, L.P.	5,140,331	Capital Specialty Plastics
Metaldyne Corporation	1,070,550	Huntsman LLC
Nyloncraft, Inc.	3,095,350	Koppers Inc.
Tenneco Automotive, Inc.	456,000	Lyondell Chemical Co.
	-----	O M Group, Inc.
	16,581,651	Process Chemicals LLC
	-----	Rhodia SA
BEVERAGE, DRUG & FOOD - 6.18%		Tomah Holdings, Inc.
Beta Brands Ltd	--	
Cains Foods, L.P.	194,418	
Del Monte Corporation	250,312	
Dominos, Inc.	316,090	CONSUMER PRODUCTS - 8.07%
Eagle Pack Pet Foods, Inc.	1,059,296	Appleton Papers, Inc.
Land O' Lakes, Inc.	780,937	Colibri Holdings Corporati
National Wine & Spirit Inc.	480,000	Euro-Pro Corporation
Nonni's Food Company, Inc.	2,190,616	G F S I, Inc.
PepsiAmericas, Inc.	1,759,969	H C I Direct, Inc.
Pinnacle Foods Holdings	424,125	K 2, Inc.
River Ranch Fresh Foods LLC	2,114,103	Maverick Acquisition Compa
Specialty Foods Group, Inc.	93,180	Neff Motivation, Inc.
Vicorp Restaurants, Inc.	597,000	Rayovac Corporation
Vitality Foodservice, Inc.	2,118,157	Royal Baths Manufacturing
Wornick Co.	802,500	Savage Sports Holdings, In
	-----	The Tranzonic Companies
	13,180,703	Walls Industries, Inc.
	-----	Winsloew Furniture, Inc.
BROADCASTING		
& ENTERTAINMENT - 2.47%		
C S C Holdings, Inc.	526,875	
Cablevision Systems Corporation	1,040,000	CONTAINERS, PACKAGING & GL
Conveo Corporation	1,072,500	A E P Industries, Inc.
Charter Communications Holdings LLC	810,000	Paradigm Packaging, Inc.
Charter Communications Op LLC	249,375	Pliant Corporation
Lodgenet Entertainment Corporation	463,250	Sea Containers Ltd.
Mediacom Communications Corporation	1,106,875	Selig Acquisition Corporat
	-----	Snyder Industries, Inc.
	5,268,875	Tekni-Plex, Inc.
	-----	Vitex Packaging, Inc.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

INDUSTRY CLASSIFICATION: (CONT.)	Fair Value/ Market Value	INDUSTRY CLASSIFICATION: (C
	-----	
DISTRIBUTION - 6.27%		FARMING & AGRICULTURE - 0.
Corvest Group, Inc.	\$ 3,712,360	Polymer Technologies, Inc.
G C-Sun Holdings LP	1,293,750	Western, Inc.
Kele and Associates, Inc.	2,321,133	Protein Genetics, Inc.
QualServ Corporation	2,137,532	
Strategic Equip & Supply Corporation, Inc.	3,913,750	FINANCIAL SERVICES - 2.33%
	-----	

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	13,378,525	
	-----	
DIVERSIFIED/CONGLOMERATE, MANUFACTURING - 4.21%		BCP Caylux Holding Lux SCA
Activant Solutions Inc	721,000	Dana Credit Corporation
Coining of America LLC	1,937,802	Dollar Financial Group
Dexter Magnetics Technologies, Inc.	989,209	East River Ventures I, L.P.
Evans Consoles, Inc.	602,000	Highgate Capital LLC
Great Lakes Dredge & Dock Corporation	648,750	Leucadia National Corporat
S P X Corporation	390,000	Mrs. Fields Brands / Finan
Tinnerman-Palnut Engineered Components	1,317,658	Victory Ventures LLC
Wicor Americas, Inc.	2,385,303	Williams Scotsman, Inc.
	-----	
	8,991,722	
	-----	
DIVERSIFIED/CONGLOMERATE, SERVICE - 6.85%		HEALTHCARE, EDUCATION & CHILDCARE - 4.25%
Allied Waste NA	962,500	A T I Acquisition Company
Bombardier Capital, Inc.	863,638	American Hospice Management
CapeSuccess LLC	5,862	Interactive Health LLC
Chemed Corporation	2,273,552	MedAssist, Inc.
Diversco, Inc./DHI Holdings, Inc.	1,392,069	Quintiles Transnational Co
Dwyer Group, Inc.	2,440,293	Tenet Healthcare Corporati
Examination Management Services, Inc.	--	
Hamilton Funeral Services Centers, Inc.	380,271	
Lancaster Laboratories, Inc.	821,243	
Moss, Inc.	1,521,406	HOME & OFFICE FURNISHINGS, HOUSEWARES, AND DURABLE CONSUMER PRODUCTS - 4.04
M S X International, Inc.	346,500	Home Decor Holding Company
Service Corp International	42,128	Hussey Seating Corporation
U S M Holdings Corporation	2,129,057	Sport Court Int'l, Inc.
Washington Inventory Services, Inc.	1,434,935	U-Line Corporation
	-----	
	14,613,454	
	-----	
ELECTRONICS - 3.59%		LEISURE, AMUSEMENT, ENTERTAINMENT - 2.33%
A E S Corporation	1,381,187	Bally Total Fitness Holdin
Calpine Corporation	377,500	IMAX Corporation
Directed Electronics, Inc.	2,143,423	Intrawest Corporation
Flextronics International Ltd.	409,000	Keepsake Quilting, Inc.
N R G Energy, Inc.	749,875	M G M Mirage, Inc.
Precision Dynamics, Inc.	2,021,345	Majestic Star Casino LLC
Siebe PLC	588,250	O E D Corp/Diamond Jo Comp
	-----	Warner Music Group
	7,670,580	
	-----	

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT)

MASSMUTUAL CORPORATE INVESTORS

September 30, 2004  
(Unaudited)

INDUSTRY CLASSIFICATION: (CONT.)

Fair Value/  
Market Value

INDUSTRY CLASSIFICATION: (C



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-----		
MACHINERY - 12.20%		PUBLISHING/PRINTING - 2.19%
Aearo Co.	\$ 459,000	American Media Operation,
C & M Conveyor, Inc.	2,113,836	Cadmus Communications Corp
D T Industries, Inc.	537	Houghton Mifflin Co.
Integration Technology Systems, Inc.	1,666,474	Jostens I H Corporation
Manitowoc Company, Inc.	211,500	Sheridan Acquisition Corpo
Maxon Corporation	2,575,894	Von Hoffman Press, Inc.
N P C, Inc.	3,590,182	
Numatics, Inc.	495,000	
P W Eagle, Inc.	1,453,736	
Safety Speed Cut Manufacturing Company, Inc.	3,271,305	RETAIL STORES - 5.12%
Stanadyne Corporation	1,560,000	Blockbuster, Inc.
Synventive Equity LLC	2,162,701	E O S International, Inc.
Thermadyne LLC	729,375	General Nutrition Center
Tronair, Inc.	3,060,832	Neff Corporation
Tubular Textile Machinery	2,600,922	Olympic Sales, Inc.
Weasler Holdings LLC	97,145	P H I Holding Company
	-----	Rent-A-Center, Inc.
	26,048,439	Rent-Way, Inc.
	-----	Sports Club Co.
		TVI, Inc.
		United Rentals, Inc.
MEDICAL DEVICES/BIOTECH - 2.47%		
Bausch & Lomb, Inc.	--	
Beacon Medical Products, Inc.	1,975,446	
Coeur, Inc.	1,134,870	
D H D Healthcare, Inc.	--	
E X C Acquisition Corporation	2,151,457	TECHNOLOGY - 0.60%
Invitrogen Corporation	--	Cymer, Inc.
	-----	Delstar Holding Corporatio
	5,261,773	
	-----	
MINING, STEEL, IRON & NON PRECIOUS METALS - 0.05%		TELECOMMUNICATIONS - 2.24%
Better Minerals & Aggregates	108,991	Alamosa Delaware, Inc.
	-----	Cincinnati Bell, Inc.
OIL AND GAS - 2.99%		Jordan Telecom Products
Centerpoint Energy, Inc.	--	MCI, Inc.
Chesapeake Energy Corporation	343,688	Nextel Communications Corp
Dynege Holdings, Inc.	476,250	Telex Communications, Inc.
GulfMark Offshore, Inc.	572,063	Triton P C S, Inc.
Mustang Ventures Company	938,300	
North American Energy Partners	390,000	
Offshore Logistics, Inc.	456,750	
Pacific Energy Partners	541,250	UTILITIES - 0.25%
Supreme Industries, Inc.	698,961	Nalco Co.
T G C Industries, Inc.	14,630	
Transmontaigne, Inc.	1,939,957	
	-----	Total Investments - 106.02
	6,371,849	
	-----	
PHARMACEUTICALS - 0.45%		
Enzymatic Therapy, Inc.	961,568	
	-----	

SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

MASSMUTUAL CORPORATE INVESTORS

## 1. HISTORY

MassMutual Corporate Investors (the "Trust") commenced operations in 1971 as a Delaware corporation. Pursuant to an Agreement and Plan of Reorganization dated November 14, 1985, approved by shareholders, the Trust was reorganized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts, effective November 28, 1985.

The Trust is a closed-end management investment company. Babson Capital Management LLC, formerly David L. Babson & Company Inc. ("Babson"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company, ("MassMutual"), acts as its investment adviser. The Trust's investment objective is to maintain a portfolio of securities providing a fixed yield while providing an opportunity for capital gains, by investing primarily in a portfolio of privately placed below, investment grade, long term corporate debt obligations with equity features, such as warrants, conversions rights or other equity features and, occasionally, preferred stocks purchased directly from their issuers.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America.

### A. VALUATION OF INVESTMENTS:

Valuation of a security in the Trust's portfolio is made on the basis of market price whenever market quotations are readily available and all securities of the same class held by the Trust can be readily sold in such market.

Nearly all securities which are acquired by the Trust directly from the issuers and shares into which such securities may be converted or which may be purchased on the exercise of warrants attached to such securities will be subject to legal or contractual delays in, or restrictions on, resale and will therefore be "restricted securities." Generally speaking, as contrasted with open-market sales of unrestricted securities which may be effected immediately if the market is adequate, absent an exemption from registration, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933.

The value of restricted securities, 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 the acquisition thereof and at least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities

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are initially valued at cost or less 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 are the existence of restrictions upon the sale of the security by the Trust; an estimate of the existence and extent of a market for the security; the extent of any discount at which the security was acquired; the estimated period of time during which the security will not be freely marketable; the estimated expenses of registering or otherwise qualifying the security for public sale; estimated underwriting commissions if underwriting would be required to effect a sale; in the case of a convertible security, whether or not it would trade on the basis of its stock equivalent; in the case of a debt obligation which would trade independently of any equity equivalent, the current yields on comparable securities; the estimated amount of the floating supply of such securities available for purchase; the proportion of the issue held by the Trust; changes in the financial condition and prospects of the issuer; the existence of merger proposals or tender offers affecting the issuer; and any other factors affecting fair value, all in accordance with the Investment Company Act of 1940. 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

MASSMUTUAL CORPORATE INVESTORS

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 Securities Act of 1933 and any other developments which are likely to increase the probability that the securities may be publicly sold by the Trust without restriction.

The Trust's Board of Trustees meets at least once in each quarter to value 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, the Trust's investment adviser. In making valuations, the Trustees will consider reports by Babson analyzing each portfolio security in accordance with the relevant factors referred to above. Babson has agreed to provide such reports to the Trust at least quarterly.

The financial statements include restricted securities valued at \$155,523,701 (72.85% of net assets) as of September 30, 2004, whose values have been estimated by the Board of 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 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, 2004, subject to discount where appropriate, and are approved by the Trustees.

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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.

### 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. The Trust does not accrue income when payment is delinquent and when management believes payment is questionable.

The Trust has elected to accrue, for financial reporting purposes, certain premiums and discounts which are required to be accrued for federal income tax purposes.

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 accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### D. FEDERAL INCOME TAXES:

No provision for federal taxes on net investment income and short-term capital gains is considered necessary because 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 to the Trustees either to designate the net realized long-term gains as undistributed and to pay the federal capital gains taxes thereon or to distribute all or a portion of such net gains.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

MASSMUTUAL CORPORATE INVESTORS

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 MMCI 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.

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The MMCI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the MMCI Subsidiary Trust, all of the MMCI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates.

### 3. INVESTMENT SERVICES FEE

Under an Investment Services Contract with the Trust dated July 1, 1988, Babson 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 has further agreed that it will request each issuer of securities which MassMutual is prepared to purchase in a private placement, and which would be consistent with the investment objectives and policies of the Trust, to also offer such securities to the Trust. Babson will use its best efforts to insure that issuers accede to such requests. MassMutual has agreed that, subject to such orders of the Securities and Exchange Commission as may apply, it will invest concurrently with the Trust in any such investment. Babson 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 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.

Under the Investment Services Contract, the Trust pays Babson a quarterly base rate (the "Base Fee Rate") of 5/16 of 1% of the value of the Trust's net assets as of the end of each fiscal quarter, approximately equivalent to 1.25% of the net asset value of the Trust on an annual basis, plus or minus a quarterly performance adjustment (the "Performance Adjustment") of up to 1/16 of 1% approximately equivalent to .25% on an annual basis.

The Performance Adjustment is based on the Trust's performance as compared to a benchmark rate of return (the "Target Rate") equal to 5.0 percentage points plus an unweighted, arithmetic average of the rates of return on the Standard & Poor's Industrials Composite (formerly called the Standard & Poor's Industrial Price Index) and the Lehman Brothers Intermediate Credit Bond Index (formerly called the Lehman Brothers Intermediate U.S. Corporate Index) over a rolling three-year period (the "Measurement Period") comprising the twelve quarters ending on the last day of each quarter (the "Valuation Date"). The Standard & Poor's Industrials Composite is not readily available to the general public. FactSet Research Systems provides Babson Capital with the information for this index. The 3-year annualized return for the Standard & Poor's Industrials Composite for the period ending September 30, 2004 was 3.48%. The Performance Adjustment is equal to 5% of the difference between the Trust's actual rate of return over the Measurement Period and the Target Rate. If the Trust's actual rate of return exceeds the Target Rate, the Base Fee Rate is increased by an amount equal to the Performance Adjustment; if the Trust's actual rate of return is less than the Target Rate, the Base Fee Rate is reduced by the Performance Adjustment. The advisory fee payable by the Trust under the Contract is equal to the Base Fee Rate (as adjusted by the Performance Adjustment) times the net asset value of the Trust as of the Valuation Date. The Performance Adjustment for the quarters ended March 31, June 30, and September 30, 2004 was:

PERFORMANCE ADJUSTMENT	AMOUNT
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March 31, 2004	0.0625%	\$127,113
June 30, 2004	0.0625%	\$130,956
September 30, 2004	0.0625%	\$117,766*

\* Net of fee waiver of \$15,565. See second paragraph of note 7.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

MASSMUTUAL CORPORATE INVESTORS

#### 4. SENIOR SECURED INDEBTEDNESS

##### A. NOTE PAYABLE

MassMutual holds the Trust's \$20,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due November 15, 2007, and accrues at 7.39% 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, 2004, the Trust incurred total interest expense on the Note of \$1,108,500.

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 the 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 Notes proposed to be redeemed.

##### B. REVOLVING CREDIT AGREEMENT

The Trust entered into a Revolving Credit Agreement with Fleet National Bank as of June 29, 2000, in the principal amount of \$25,000,000, maturing on May 31, 2005. The interest rate on the outstanding revolving loan is determined for periods of one, three or six months (as selected by the Trust) and is set at an annual rate equal to LIBOR (London Interbank Offered Rate) plus 0.37%. The Trust also agreed to pay an up-front fee equal to 0.10% on the total commitment. The facility fee is 0.15% per annum of the total commitment. As of September 30, 2004, there was \$6,000,000 in outstanding loans against the Revolver and the rate of interest attributable to the Revolver was 2.13%. For the nine months ended September 30, 2004, the Trust incurred total interest expense on the Revolver of \$40,022, plus \$28,151 related to the undrawn portion.

#### 5. PURCHASES AND SALES OF INVESTMENTS

	FOR THE NINE MONTHS ENDED 9/30/2004	
	COST OF INVESTMENTS ACQUIRED	PROCEEDS FROM SALES OR MATURITIES
Corporate restricted securities	\$ 86,701,289	\$ 79,892,797
Corporate public securities	18,418,297	13,803,071
Short-term securities	474,897,190	476,454,110

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The aggregate cost of investments was the same for financial reporting and federal income tax purposes as of September 30, 2004. The net unrealized depreciation of investments for financial reporting and federal tax purposes as of September 30, 2004, is \$15,880,595 and consists of \$17,808,429 appreciation and \$33,689,024 depreciation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(CONTINUED)

MASSMUTUAL CORPORATE INVESTORS

6. QUARTERLY RESULTS OF INVESTMENT OPERATIONS

	MARCH 31, 2004	
	AMOUNT	PER SHARE
Investment income	\$ 5,045,227	
Net investment income	3,764,100	\$ 0.42
Net realized and unrealized gain on investments	4,232,404	0.48
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	JUNE 30, 2004	
	AMOUNT	PER SHARE
Investment income	\$ 6,600,662	
Net investment income	5,279,982	\$ 0.59
Net realized and unrealized gain on investments (net of taxes)	4,035,224	0.45
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	SEPTEMBER 30, 2004	
	AMOUNT	PER SHARE
Investment income	\$ 6,114,817	
Net investment income	4,820,764	\$ 0.54
Net realized and unrealized gain on investments (net of taxes)	4,213,400	0.47

7. CONTINGENCIES

The Trust, together with other investors, including MassMutual, is a plaintiff in litigation undertaken in connection with private placement investments made by the Trust in Sharp International Corporation ("Sharp"). Three managing shareholders of Sharp, which is currently being liquidated in Chapter 11 liquidation proceedings, have pleaded guilty to criminal fraud charges. Initially, two separate civil lawsuits were brought in New York state court in an attempt to recover damages for lost investment funds from Sharp's working capital lender and auditors. The first lawsuit involving Sharp's working capital lender was dismissed prior to trial. An appeal of this dismissal was unsuccessful. The discovery and deposition components of the second, related lawsuit against Sharp's auditors, KPMG LLP, have been completed. The parties to the lawsuit, including the Trust, agreed to submit the matters which are the subject of the lawsuit to non-binding mediation proceedings. However, the parties were unable to resolve these matters through mediation. The trial is scheduled to begin early in 2005. The Trust is unable to estimate any potential recovery from this lawsuit as of September 30, 2004.

In connection with a sweep examination of performance fees, the staff of

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the Securities and Exchange Commission ("Staff") has questioned whether the Trust's investment advisory fee fully complies with Section 205 of the Investment Advisers Act of 1940 and SEC regulations concerning performance fees. Retroactive adjustment to the calculation methodology for the period since July 1, 1988 (the period during which the Performance Adjustment has been in effect) would result in a reduction in aggregate investment advisory fees for that period. Babson and the Trust are cooperating with the Staff's review of this matter. Pending resolution of the issue Babson has voluntarily agreed to waive, for each quarter beginning July 1, 2004, the amount, if any, by which (A) the investment advisory fee calculated in the manner described in the Investment Services Contract exceeds (B) the sum of (i) 5/16 of 1% times the ending net asset value for that quarter plus or minus (ii) the Performance Adjustment applied against the average quarter end net assets for the Trust for the twelve-quarter period ending on such quarter. Babson believes that the likelihood that this matter will have a material adverse financial impact on the Trust or negatively impact Babson's ability to provide investment services to the Trust is remote.

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### TRUSTEES

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Donald E. Benson\*  
Donald Glickman  
Martin T. Hart\*  
Robert E. Joyal  
Steven A. Kandarian  
Jack A. Laughery [LOGO]  
Corine T. Norgaard\*  
Stuart H. Reese

### OFFICERS

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Stuart H. Reese Chairman  
Roger W. Crandall President  
Charles C. McCobb, Jr. Vice President &  
Chief Financial Officer  
Stephen L. Kuhn Vice President &  
Secretary  
Michael P. Hermsen Vice President  
Mary Wilson Kibbe Vice President  
Michael L. Klofas Vice President  
Clifford M. Noreen Vice President  
Richard E. Spencer, II Vice President  
James M. Roy Treasurer  
John T. Davitt, Jr. Comptroller  
Mary Ellen Wesneski Chief Compliance Officer

\*Member of the Audit Committee

### DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN

MassMutual Corporate Investors offers a Dividend Reinvestment and Share Purchase Plan. The Plan provides a simple 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. A shareholder may join the Plan by filling out and mailing an authorization card to Shareholder Financial Services, Inc., the Transfer Agent. Participating shareholders will continue to participate until they notify the Transfer Agent, in writing, of their desire to terminate participation. Unless a shareholder elects to participate in the Plan, he or she will, in effect, have elected to receive dividends and distributions in cash.

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 \$10 nor more than \$5,000 per quarter.



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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 any way, 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., Agent for MassMutual Corporate Investors' Dividend Reinvestment and Share Purchase Plan, P.O. Box 173673, Denver CO 80217-3673.