

MASSMUTUAL PARTICIPATION INVESTORS

Form N-30D

November 20, 2008

MassMutual
Participation Investors

Report for the
Nine Months Ended September 30, 2008

[LOGO]

ADVISER

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP
Boston, Massachusetts 02110

COUNSEL TO THE TRUST

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CUSTODIAN

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New York, New York 10043

TRANSFER AGENT & REGISTRAR

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INTERNET WEBSITE

www.babsoncapital.com/mpv

MassMutual Participation Investors
c/o Babson Capital Management LLC
[LOGO] 1500 Main Street, Suite 600
Springfield, Massachusetts 01115
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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 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 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 quarterly 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.

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:

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

MPV
Listed
NYSE

MassMutual Participation Investors

TO OUR SHAREHOLDERS

October 31, 2008

We are pleased to present the September 30, 2008 Quarterly Report of MassMutual Participation Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of 25 cents per share, payable on November 14, 2008 to shareholders of record on October 31, 2008. The Trust had previously paid a 25 cent per share dividend for the preceding quarter.

During the quarter ended September 30, 2008, net assets of the Trust decreased to \$121,973,464 or \$12.29 per share compared to \$125,650,592 or \$12.68 per share on June 30, 2008, which translates into a -1.13% 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 1.14%, 15.73%, and 12.22% for the 1-, 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 earned 33 cents per share of net investment income for the quarter, of which 6 cents per share was from nonrecurring items. The Trust earned 23 cents per share in the previous quarter.

The mezzanine and private equity markets in which the Trust participates were very active during most of the third quarter. Deal flow was very strong as evidenced by the number of new investments the Trust made during the quarter. The leverage and pricing of these new investments was favorable from the Trust's perspective. Leverage levels continued their downward trend while pricing on mezzanine and private equity investments continued to increase throughout the quarter. As the quarter ended however, the turmoil in the financial markets began to impact middle market buyout activity. Senior debt financing became significantly more expensive and increasingly scarce as a number of senior debt providers withdrew from the market. This has resulted in a slowdown in new deal activity which is likely to continue throughout the rest of 2008.

During the quarter, the Trust made private placement investments in eleven new issuers, totaling approximately \$12.5 million. The eleven new issuers were All Current Holding Company, C D N T, Inc., Crane Rental Corporation, Hospitality Mints Holding Company, K P I Holdings, Inc., M V I Holding, Inc., MedSystems Holdings LLC, MEGTEC Holdings, Inc., Milwaukee Gear Company, Synteract Holdings Corporation and Xaloy Superior Holdings, Inc. The weighted average coupon of these investments was 12.96%. (A brief description of these investments can be found in the Consolidated Schedule of Investments.)

U.S. equity markets, as approximated by the Russell 2000 Index, decreased 1.11% for the quarter. U.S. fixed income markets, as approximated by the Lehman Brothers U.S. Corporate High Yield Index decreased 8.89% for the quarter.

During the quarter ended September 30, 2008, the market price of the Trust decreased 14.3% from \$13.19 per share to \$11.31 per share. The Trust's market price of \$11.31 per share equated to an 8.0% discount to the September 30, 2008 net asset value per share. The Trust's average quarter-end premium for the 3-, 5- and 10-year periods was 9.4%, 10.2% and 6.3%, respectively.

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

Sincerely,

/s/ Clifford M. Noreen
 Clifford M. Noreen
 President

PORTFOLIO COMPOSITION AS OF 9/30/08 *

[PIE CHART APPEARS HERE]

Private / Restricted Equity 14.2%	Public Equity 1.1%
Cash & Short Term Investments 8.3%	Private / 144A High Yield Debt 62.8%
Public High Yield Debt 13.6%	

* Based on market value of total investments (including cash)
 Cautionary Notice: Certain statements contained in this report may be "forward looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. These statements are subject to change at any time based upon economic, market or other conditions and may not be relied upon as investment advice or an indication of the Trust's trading intent. References to specific securities are not recommendations of such securities, and may not be representative of the Trust's current or future investments. We undertake no obligation to publicly update forward looking statements, whether as a result of new information, future events, or otherwise.

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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES SEPTEMBER 30, 2008 (UNAUDITED)

ASSETS:

Investments	
(See Consolidated Schedule of Investments)	
Corporate restricted securities at fair value (Cost - \$110,193,404)	\$ 101,851,295
Corporate public securities at market value (Cost - \$24,078,261)	19,453,296
Short-term securities at amortized cost	10,127,791
	131,432,382
Cash	862,687
Interest receivable	2,984,918
Receivable for investments sold	217,006
Other assets	6,294
	135,503,287
TOTAL ASSETS	135,503,287

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LIABILITIES:	
Payable for investments purchased	866,069
Investment advisory fee payable	274,440
Note payable	12,000,000
Interest payable	262,933
Accrued expenses	126,381

TOTAL LIABILITIES	13,529,823

TOTAL NET ASSETS	\$ 121,973,464
	=====
 NET ASSETS:	
Common shares, par value \$.01 per share; an unlimited number authorized	\$ 99,272
Additional paid-in capital	92,588,454
Retained net realized gain on investments, prior years	32,808,045
Undistributed net investment income	4,155,177
Accumulated net realized gain on investments	5,289,590
Net unrealized depreciation of investments	(12,967,074)

TOTAL NET ASSETS	\$ 121,973,464
	=====
COMMON SHARES ISSUED AND OUTSTANDING	9,927,243
	=====
NET ASSET VALUE PER SHARE	\$ 12.29
	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF OPERATIONS MassMutual Participation Investors
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(UNAUDITED)

INVESTMENT INCOME:	
Interest	\$ 9,186,525
Dividends	647,849
Other	45,671

TOTAL INVESTMENT INCOME	9,880,045

 EXPENSES:	
Investment advisory fees	843,191
Interest	528,229
Trustees' fees and expenses	126,000
Professional fees	121,100
Reports to shareholders	81,000
Custodian fees	21,757
Transfer agent/registrar's expenses	18,000
Other	25,265

TOTAL EXPENSES	1,764,542

INVESTMENT INCOME - NET	8,115,503

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NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:	
Net realized gain on investments before taxes	4,947,574
Income tax expense	(141,562)

Net realized gain on investments	4,806,012
Net change in unrealized appreciation of investments	(13,468,994)

NET LOSS ON INVESTMENTS	(8,662,982)

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ (547,479)
	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(UNAUDITED)

NET DECREASE IN CASH:

Cash flows from operating activities:

Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ (2,359,170)
Purchases of portfolio securities	(26,406,808)
Proceeds from disposition of portfolio securities	30,659,592
Interest, dividends and other received	9,472,761
Interest expense paid	(358,051)
Operating expenses paid	(1,242,360)
Income taxes paid	(897,154)

NET CASH PROVIDED BY OPERATING ACTIVITIES 8,868,810

Cash flows from financing activities:

Cash dividends paid from net investment income	(9,694,682)
Cash dividends paid from net realized gain on investments	(187,646)
Receipts for shares issued on reinvestment of dividends	847,131

NET CASH USED FOR FINANCING ACTIVITIES (9,035,197)

NET DECREASE IN CASH (166,387)

Cash - beginning of year 1,029,074

CASH - END OF PERIOD \$ 862,687

RECONCILIATION OF NET DECREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS \$ (547,479)

Decrease in investments	8,407,398
Decrease in interest receivable	8,523
Decrease in receivable for investments sold	738,346
Increase in other assets	(6,294)
Increase in payable for investments purchased	866,069

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Decrease in investment advisory fee payable	(10,467)
Increase in interest payable	170,178
Increase in accrued expenses	1,266
Decrease in accrued taxes payable	(755,592)
Decrease in other payables	(3,138)

TOTAL ADJUSTMENTS TO NET ASSETS FROM OPERATIONS	9,416,289

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 8,868,810
	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS
OF CHANGES IN NET ASSETS

MassMutual Participation Investors

	For the nine months ended 09/30/08 (Unaudited)	
	-----	-----
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Investment income - net	\$ 8,115,503	\$ 1
Net realized gain on investments	4,806,012	
Net change in unrealized appreciation of investments	(13,468,994)	(
	-----	-----
Net (decrease) increase in net assets resulting from operations	(547,479)	1
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2008 - 65,632; 2007 - 56,329)	847,131	
Dividends to shareholders from:		
Net investment income (2008 - \$0.50; 2007 - \$1.23 per share)	(4,951,522)	(1
Net realized gains on investments (2007 - \$0.02 per share)	--	
	-----	-----
TOTAL (DECREASE) INCREASE IN NET ASSETS	(4,651,870)	
NET ASSETS, BEGINNING OF YEAR	126,625,334	12
	-----	-----
NET ASSETS, END OF PERIOD/YEAR (including undistributed net investment income of \$4,155,117 and \$991,196, respectively)	\$ 121,973,464	\$ 12
	=====	=====

See Notes to Consolidated Financial Statements

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CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS

SELECTED DATA FOR EACH SHARE OF BENEFICIAL INTEREST OUTSTANDING:

	For the nine months ended 09/30/2008 (Unaudited)	For the years ended De		
	----- ----- -----	----- 2007 -----	----- 2006 -----	----- 2005 -----
Net asset value:				
Beginning of year	\$ 12.84	\$ 12.90	\$ 12.21	\$ 11.13
Net investment income (a)	0.82	1.23	1.10	0.99
Net realized and unrealized gain (loss) on investments	(0.87)	(0.05)	0.77	1.09 (b)
Total from investment operations	(0.05)	1.18	1.87	2.08
Dividends from net investment income to common shareholders	(0.50)	(1.23)	(1.18)	(1.01)
Dividends from net realized gain on investments to common shareholders	--	(0.02)	(0.01)	--
Increase from dividends reinvested	0.00 (c)	0.01	0.01	0.01
Total dividends	(0.50)	(1.24)	(1.18)	(1.00)
Net asset value: End of period/year	\$ 12.29	\$ 12.84	\$ 12.90	\$ 12.21
Per share market value:				
End of period/year	\$ 11.31	\$ 13.18	\$ 14.70	\$ 14.05
Total investment return				
Net asset value (d)	(0.45%)	9.95%	18.64%	22.51%
Market value	(10.08%)	(1.30%)	16.81%	17.25%
Net assets (in millions):				
End of period/year	\$ 121.97	\$ 126.63	\$ 126.52	\$ 119.02
Ratio of operating expenses to average net assets	1.32% (e)	1.36%	1.17%	1.45%
Ratio of interest expense to average net assets	0.56% (e)	0.56%	0.57%	0.80%
Ratio of income tax expense to average net assets (f)	0.15% (e)	0.48%	2.68%	2.83%
Ratio of total expenses before custodian fee reduction to average net assets (f)	2.03% (e)	2.40%	4.46%	5.12%
Ratio of net expenses after custodian fee reduction to average net assets (f)	2.03% (e)	2.40%	4.42%	5.08%
Ratio of net investment income to average net assets	8.64% (e)	9.32%	8.43%	8.45%
Portfolio turnover	22%	33%	34%	32%

(a) Calculated using average shares.

(b) Amount includes \$0.10 per share in litigation proceeds.

(c) Rounds to less than \$0.01 per share.

(d) Net asset value return represents portfolio returns based on change in the Trust's net asset value less all dividends and distributions which differs from the total investment return based on the difference between the Trust's net asset value and the market value of its shares outstanding at the end of future results.

(e) Annualized.

(f) As additional information, this ratio is included to reflect the taxes paid on retained long-term capital gains netted against realized capital gains in the Statement of Operations. The taxes paid are treated as a

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credit for the taxes paid is passed on to shareholders.

Senior borrowings:

Total principal amount (in millions)	\$	12	\$	12	\$	12	\$	12
Asset coverage per \$1,000 of indebtedness	\$	11,167	\$	11,552	\$	11,543	\$	10,918

See Notes to Consolidated Financial Statements

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CONSOLIDATED SCHEDULE OF INVESTMENTS

September 30, 2008

MassMutual Participation Investors

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES - 83.50%: (A)		
PRIVATE PLACEMENT INVESTMENTS - 79.98%		
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	\$ 1,253,897	11/21/07
Limited Partnership Interest (B)	7.93% int.	11/21/07
A T I ACQUISITION COMPANY		
A for-profit post-secondary school serving students in Texas, Florida and Arizona.		
12% Senior Subordinated Note due 2012	\$ 1,125,000	04/08/04
Warrant, exercisable until 2012, to purchase preferred stock at \$.01 per share (B)	7 shs.	11/16/07
Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)	1,230 shs.	04/08/04
A W X HOLDINGS CORPORATION		
A provider of aerial equipment rental, sales and repair services to non-residential construction operating in the State of Indiana.		
10.5% Senior Secured Term Note due 2014	\$ 420,000	05/15/08
13% Senior Subordinated Note due 2015	\$ 420,000	05/15/08
Common Stock (B)	60,000 shs.	05/15/08
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	21,099 shs.	05/15/08
ADVANCED TECHNOLOGIES HOLDINGS		
A provider of factory maintenance services to industrial companies.		
15% Senior Subordinated Note due 2013	\$ 1,096,623	12/27/07
Preferred Stock (B)	546 shs.	12/27/07
AERO HOLDINGS, INC.		
A provider of geospatial services to corporate and government clients.		
10.5% Senior Secured Term Note due 2014	\$ 930,000	03/09/07
14% Senior Subordinated Note due 2015	\$ 720,000	03/09/07
Common Stock (B)	150,000 shs.	03/09/07

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Warrant, exercisable until 2015, to purchase
common stock at \$.01 per share (B) 37,780 shs. 03/09/07

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2008
(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
ALL CURRENT HOLDING COMPANY		
A specialty re-seller of essential electrical parts and components primarily serving wholesale di		
12% Senior Subordinated Note due 2015	\$ 603,697	09/26/08
Common Stock (B)	713 shs.	09/26/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	507 shs.	09/26/08
AMERICAN HOSPICE MANAGEMENT HOLDING LLC		
A for-profit hospice care provider in the United States.		
12% Senior Subordinated Note due 2013	\$ 1,687,503	*
Preferred Class A Unit (B)	1,706 uts.	**
Preferred Class B Unit (B)	808 uts.	06/09/08
Common Class B Unit (B)	16,100 uts.	01/22/04
Common Class D Unit (B)	3,690 uts.	09/12/06
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	\$ 861,702	05/18/05
Common Stock (B)	263 shs.	05/18/05
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	69 shs.	05/18/05
BRAVO SPORTS HOLDING CORPORATION		
A designer and marketer of niche branded consumer products including canopies, trampolines, in-li urethane wheels.		
12.5% Senior Subordinated Note due 2014	\$ 1,207,902	06/30/06
Preferred Stock Class A (B)	465 shs.	06/30/06
Common Stock (B)	1 sh.	06/30/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	164 shs.	06/30/06
C D N T, INC.		
A value-added converter and distributor of specialty pressure sensitive adhesives, foams, films, 10.5% Senior Secured Term Note due 2014		
	\$ 429,070	08/07/08

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12.5% Senior Subordinated Note due 2015	\$ 429,070	08/07/08
Common Stock (B)	41,860 shs.	08/07/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	32,914 shs.	08/07/08

* 01/22/04 and 06/09/08.

** 01/22/04 and 09/12/06.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2008
(Unaudited) MassMutual Participation Investors

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
CAPESUCCESS LLC		
A provider of diversified staffing services.		
Preferred Membership Interests (B)	806 uts.	04/29/00
Common Membership Interests (B)	10,421 uts.	04/29/00
CAPITAL SPECIALTY PLASTICS, INC.		
A producer of desiccant strips used for packaging pharmaceutical products.		
Common Stock (B)	55 shs.	*
COEUR, INC.		
A producer of proprietary, disposable power injection syringes.		
8.75% Senior Secured Term Note due 2010	\$ 141,304	04/30/03
11.5% Senior Subordinated Note due 2011	\$ 242,754	04/30/03
Common Stock (B)	72,464 shs.	04/30/03
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	50,099 shs.	04/30/03
CONNECTICUT ELECTRIC, INC.		
A supplier and distributor of electrical products sold into the retail and wholesale markets.		
12% Senior Subordinated Note due 2014	\$ 1,267,387	01/12/07
Limited Liability Company Unit Class A (B)	82,613 uts.	01/12/07
Limited Liability Company Unit Class C (B)	59,756 uts.	01/12/07
CONNOR SPORT COURT INTERNATIONAL, INC.		
A designer and manufacturer of outdoor and indoor synthetic sports flooring and other temporary f		
Preferred Stock Series B-2 (B)	9,081 shs.	07/05/07
Preferred Stock Series C (B)	4,757 shs.	07/05/07
Common Stock (B)	380 shs.	07/05/07
Limited Partnership Interest (B)	4.43% int.	**
COREPHARMA LLC		
A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.		

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12% Senior Subordinated Note due 2013	\$ 1,350,000	08/04/05
Warrant, exercisable until 2013, to purchase common stock at \$.001 per share (B)	10 shs.	08/04/05

* 12/30/97 and 05/29/99.
** 08/12/04 and 01/14/05.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2008
(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CRANE RENTAL CORPORATION		
A crane rental company.		
13% Senior Subordinated Note due 2015	\$ 1,215,000	08/21/08
Common Stock (B)	135,000 shs.	08/21/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	72,037 shs.	08/21/08
DAVIS-STANDARD LLC		
A manufacturer, assembler, and installer of a broad range of capital equipment that is used in the processing of plastic materials.		
12% Senior Subordinated Note due 2014	\$ 978,261	10/30/06
Limited Partnership Interest (B)	0.97% int.	10/30/06
Warrant, exercisable until 2014, to purchase preferred stock at \$.01 per share (B)	26 shs.	10/30/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	18 shs.	10/30/06
DIVERSCO, INC./DHI HOLDINGS, INC.		
A contract provider of janitorial and equipment maintenance services and temporary production labor		
Membership Interests of MM/Lincap Diversco Investments Ltd. LLC (B)	13.57% int.	08/27/98
Preferred Stock (B)	1,639 shs.	12/14/01
Warrants, exercisable until 2011, to purchase common stock of DHI Holdings, Inc. at \$.01 per share (B)	6,676 shs.	*
DUNCAN SYSTEMS, INC.		
A distributor of windshields and side glass for the recreational vehicle market.		
10% Senior Secured Term Note due 2013	\$ 308,571	11/01/06
13% Senior Subordinated Note due 2014	\$ 488,572	11/01/06
Common Stock (B)	102,857 shs.	11/01/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	32,294 shs.	11/01/06

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DWYER GROUP, INC.

A franchiser of a variety of home repair services.

Common Stock (B)	3,656 shs.	**
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	1,077 shs.	10/30/03

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

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

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

MassMutual Participation Investors

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----

E S P HOLDCO, INC.

A manufacturer of power protection technology for commercial office equipment, primarily supplying network.

14% Senior Subordinated Note due 2015	\$ 1,186,688	01/08/08
Common Stock (B)	349 shs.	01/08/08

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
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ELECTRA BICYCLE COMPANY LLC

A designer and marketer of branded leisure bicycles.

15.5% Senior Secured Term Note A due 2009	\$ 36,437	04/12/07
10.5% Senior Secured Term Note B due 2012	\$ 360,729	04/12/07
12% Senior Secured Term Note C due 2012	\$ 291,498	04/12/07
Limited Liability Company Unit Series F	36,913 uts.	04/12/07
Limited Liability Company Unit Series G	2,852 uts.	04/12/07

ENZYMATIC THERAPY, INC.

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

Limited Partnership Interest (B)	0.70% int.	03/30/00
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	15,415 shs.	03/30/00

EVANS CONSOLES, INC.

A designer and manufacturer of consoles and control center systems.

Common Stock (B)	45,000 shs.	05/06/04
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F H S HOLDINGS LLC

A national provider of customized disease management services to large self-insured employers.

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12% Senior Subordinated Note due 2014	\$ 1,265,625	06/01/06
Preferred Unit (B)	84 uts.	06/01/06
Common Unit Class B (B)	734 shs.	06/01/06

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2008
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
FLUTES, INC.		
An independent manufacturer of micro fluted corrugated sheet material for the food and consumer p		
10% Senior Secured Term Note due 2013	\$ 524,791	04/13/06
14% Senior Subordinated Note due 2014	\$ 317,177	04/13/06
Common Stock (B)	62,535 shs.	04/13/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	17,680 shs.	04/13/06
FOWLER HOLDING, INC.		
A provider of site development services to residential homebuilders and developers in the Raleigh		
12% Senior Subordinated Note due 2013	\$ 1,252,174	02/03/06
Common Stock (B)	98 shs.	02/03/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	135 shs.	02/03/06
FUEL SYSTEMS HOLDING CORPORATION		
An independent North American supplier of fuel tanks for a wide variety of commercial vehicles.		
12% Senior Subordinated Note due 2014	\$ 1,237,500	01/31/06
Preferred Stock (B)	16,792 shs.	06/12/08
Common Stock (B)	112,500 shs.	01/31/06
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	73,275 shs.	01/31/06
GOLDEN COUNTY FOODS HOLDING, INC.		
A manufacturer of frozen appetizers and snacks.		
12% Senior Subordinated Note due 2015	\$ 1,012,500	11/01/07
8% Series A Convertible Preferred Stock, convertible into 4.25% of the fully diluted common shares (B)	77,643 shs.	11/01/07
GQ HOLDINGS LLC		
A developer and distributor of tools, equipment, and supplies to the natural and engineered stone		
15% Senior Subordinated Note due 2015	\$ 1,217,159	06/27/08
Common Stock (B)	3,867 shs.	06/27/08

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2008
 (Unaudited)

MassMutual Participation Investors

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
H M HOLDING COMPANY		
A designer, manufacturer, and importer of promotional and wood furniture.		
12% Senior Subordinated Note due 2013 (D)	\$ 1,170,000	02/10/06
Preferred Stock (B)	21 shs.	*
Common Stock (B)	180 shs.	02/10/06
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	67 shs.	02/10/06
HIGHGATE CAPITAL LLC		
An acquirer of controlling or substantial interests in manufacturing and marketing entities.		
Series A Preferred Units (B)	0.30% 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	\$ 1,081,731	**
Common Stock (B)	33 shs.	**
Warrant, exercisable until 2012, to purchase common stock at \$.02 per share (B)	106 shs.	**
HOSPITALITY MINTS HOLDING COMPANY		
A manufacturer of individually-wrapped imprinted promotional mints.		
12% Senior Subordinated Note due 2016	\$ 1,098,837	08/19/08
Common Stock (B)	251 shs.	08/19/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	65 shs.	08/19/08
INSURANCE CLAIMS MANAGEMENT, INC.		
A third party administrator providing auto and property claim administration services for insurance		
Common Stock (B)	37 shs.	02/27/07
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	11 shs.	02/27/07
INTEGRATION TECHNOLOGY SYSTEMS, INC.		
A manufacturer of steel protective computer and network systems for the industrial and office environment		
12% Senior Secured Note due on demand	\$ 25,055	03/01/04
Common Stock (B)	130 shs.	06/01/00

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* 09/18/07 and 06/27/08.

** 06/30/04 and 08/19/04.

 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
 September 30, 2008
 (Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
JASON, INC.		
A diversified manufacturing company serving various industrial markets.		
13% Senior Subordinated Note due 2010	\$ 510,187	08/04/00
Limited Partnership Interest of		
Saw Mill Capital Fund II, L.P. (B)	1.30% int.	08/03/00
Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	26,931 shs.	08/04/00
JUSTRITE MANUFACTURING ACQUISITION CO.		
A manufacturer of safety products such as storage cabinets and containers.		
12% Senior Subordinated Note due 2011	\$ 843,750	12/15/04
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	594 shs.	12/15/04
K H O F HOLDINGS, INC.		
A manufacturer of premium disposable tableware products serving both the foodservice and consumer		
14% Senior Subordinated Note due 2014	\$ 1,250,794	10/15/07
Common Stock (B)	116,827 shs.	10/15/07
K N B HOLDINGS CORPORATION		
A designer, manufacturer and marketer of products for the custom framing market.		
13.5% Senior Subordinated Note due 2013	\$ 1,319,800	05/25/06
Common Stock (B)	71,053 shs.	05/25/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	43,600 shs.	05/25/06
K P I HOLDINGS, INC.		
Pace Industries, a subsidiary of Leggett & Platt, is the largest player in the U.S. non-automotive		
13% Senior Subordinated Note due 2014	\$ 1,115,217	07/16/08
Common Stock (B)	235 shs.	07/15/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	51 shs.	07/16/08

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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 2014	\$ 1,227,000	03/14/07
Common Stock (B)	123 shs.	03/13/07
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	89 shs.	03/14/07

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008
(Unaudited)

MassMutual Participation Investors

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----

K-TEK HOLDING CORPORATION

A manufacturer of instrumentation for liquid and bulk solids level detection for process and storage.

14% Senior Secured Note due 2015	\$ 1,169,454	12/20/07
Preferred Stock (B)	192,314 shs.	12/20/07
Common Stock (B)	54,326 shs.	12/20/07

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 & gas, mining, and defense markets.

13% Senior Subordinated Note due 2016	\$ 642,857	09/12/08
Common Stock (B)	32 shs.	09/12/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	35 shs.	09/12/08

MAIL COMMUNICATIONS GROUP, INC.

A provider of mail processing and handling services, lettershop services, and commercial printing.

12.5% Senior Subordinated Note due 2014	\$ 516,177	05/04/07
Limited Liability Company Unit (B)	12,763 uts.	*
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	1,787 shs.	05/04/07

MAVERICK ACQUISITION COMPANY

A manufacturer of capsules that cover the cork and neck of wine bottles.

7.19% Senior Secured Tranche A Note due 2010 (C)	\$ 210,124	09/03/04
12% Senior Secured Tranche B Note due 2011	\$ 179,104	09/03/04
Limited Partnership Interest (B)	4.48% int.	09/03/04
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	243 shs.	09/03/04

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MEDSYSTEMS HOLDINGS LLC

A manufacturer of enteral feeding products, such as feeding tubes and other products related to a

13% Senior Subordinated Note due 2015	\$ 607,878	08/29/08
Preferred Unit (B)	66 uts.	08/29/08
Common Unit Class A (B)	671 uts.	08/29/08
Common Unit Class B (B)	250 uts.	08/29/08

* 05/04/07 and 01/02/08.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----
MEGTEC HOLDINGS, INC.		
A supplier of industrial and environmental products and services to a broad array of industries, converting, pharmaceutical, electronic, chemical, wood processing, and coal mining industries.		
12% Senior Subordinated Note due 2016	\$ 1,144,068	09/24/08
Preferred Stock (B)	56 shs.	09/24/08
Limited Partnership Interest (B)	205,932 int.	09/16/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	18 shs.	09/24/08
MICROGROUP, INC.		
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and industries.		
12% Senior Subordinated Note due 2013	\$ 1,421,795	*
Common Stock (B)	238 shs.	*
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	87 shs.	*
MILWAUKEE GEAR COMPANY		
A manufacturer of high-precision custom gears and gear drives used by original equipment manufacturer industries.		
13% Senior Subordinated Note due 2014	\$ 1,246,154	07/21/08
Preferred Stock (B)	139 shs.	07/21/08
Common Stock (B)	9 shs.	07/21/08
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	6 shs.	07/21/08
MOMENTUM HOLDING CO.		
A designer and supplier of upholstery fabric to commercial furniture manufacturers and architectural industries.		
Limited Partnership Interest (B)	11.24% int.	08/04/06
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	586 shs.	08/04/06

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MONESSEN HOLDING CORPORATION

A designer and manufacturer of a broad line of gas, wood, and electric hearth products and accessories

14% Senior Subordinated Note due 2014	\$ 1,439,663	07/25/08
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	81 shs.	03/31/06

* 08/12/05 and 09/11/06.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008
(Unaudited)

MassMutual Participation Investors

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----
MORTON INDUSTRIAL GROUP, INC.		
A manufacturer of highly engineered metal fabricated components.		
12% Senior Subordinated Note due 2014 (D)	\$ 1,292,246	08/25/06
30% Convertible Preferred Stock (B)	41,289 shs.	07/28/08
NABCO, INC.		
A producer of explosive containment vessels in the United States.		
14% Senior Subordinated Note due 2014	\$ 403,451	02/24/06
Limited Liability Company Unit (B)	437 uts.	*
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	68 shs.	02/24/06
NAVIS GLOBAL		
A designer, manufacturer, seller and servicer of finishing machinery for the knit and woven segments		
12% Senior Subordinated Note due 2014 (D)	\$ 705,457	05/28/04
8.75% Senior Secured Note due 2011 (D)	\$ 327,478	05/28/04
Common Stock (B)	385,233 shs.	05/28/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	116,521 shs.	05/28/04
NESCO HOLDINGS CORPORATION		
A sales and leasing company that provides equipment to the electric utility, telecommunications, and other industries		
12% Senior Subordinated Note due 2015	\$ 1,125,000	08/02/07
Common Stock (B)	225,000 shs.	08/02/07
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	63,191 shs.	08/02/07
NETSHAPE TECHNOLOGIES, INC.		
A manufacturer of powder metal and metal injection molded precision components used in industrial machinery		
12% Senior Subordinated Note due 2014	\$ 810,000	02/02/07

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Limited Partnership Interest of Saw Mill PCG Partners LLC (B)	1.38% int.	02/01/07
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	48 shs.	02/02/07

* 02/24/06 and 06/22/07.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)
September 30, 2008
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
NYLONCRAFT, INC.		
A supplier of engineered plastic components for the automotive industry.		
9% Senior Secured Note due 2009	\$ 464,286	01/28/02
11.5% Senior Subordinated Note due 2012	\$ 857,143	01/28/02
Common Stock (B)	178,571 shs.	01/28/02
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	138,928 shs.	01/28/02
OAKRIVER TECHNOLOGY, INC.		
Designs, engineers and assembles high precision automated process equipment for the medical device defibrillators and stents.		
10% Senior Secured Note due 2012	\$ 298,260	01/03/06
13% Senior Subordinated Note due 2013	\$ 392,709	01/03/06
Common Stock (B)	184,176 shs.	01/03/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	43,073 shs.	01/03/06
OLYMPIC SALES, INC.		
A boat retailer in Washington state, Oregon, California and British Columbia.		
12% Senior Subordinated Note due 2008 (D)	\$ 511,000	08/07/98
12% Senior Subordinated Note due 2008 (D)	\$ 244,154	02/09/00
Limited Partnership Interest of Riverside VIII, VIII-A and VIII-B Holding Company, L.P.	10.66% int.	*
Warrants, exercisable until 2008, to purchase common stock at \$.01 per share (B)	15,166 shs.	**
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
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	328 shs.	01/17/06

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P A S HOLDCO LLC

An independent provider of maintenance, repair and overhaul services to the aerospace gas turbine

14% Senior Subordinated Note due 2014	\$ 1,194,205	07/03/06
Preferred Unit (B)	202 uts.	07/03/06
Preferred Unit (B)	36 uts.	07/03/06
Common Unit Class I (B)	78 uts.	07/03/06
Common Unit Class L (B)	17 uts.	07/03/06

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

** 08/07/98 and 02/29/00.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

MassMutual Participation Investors

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
P I I HOLDING CORPORATION		
A manufacturer of plastic film and bags for the general industrial, medical, and food industries.		
12% Senior Subordinated Note due 2013	\$ 1,215,000	03/31/06
Preferred Stock (B)	19 shs.	03/31/06
Common Stock (B)	12 shs.	03/31/06
Warrant, exercisable until 2013, to purchase common stock at \$.01 per share (B)	7 shs.	03/31/06
PACIFIC CONSOLIDATED HOLDINGS LLC		
A manufacturer of rugged, mobile liquid and gaseous oxygen and nitrogen generating systems used in and medical sectors.		
12% Senior Subordinated Note due 2012	\$ 690,683	04/27/07
Limited Liability Company Unit (B)	928,962 uts.	04/27/07
PARADIGM PACKAGING, INC.		
A manufacturer of plastic bottles and closures for the nutritional, pharmaceutical, personal care		
12% Senior Subordinated Note due 2011	\$ 1,125,000	12/19/00
Membership Interests of MM/Lincap PPI Investments, Inc., LLC (B)	1.28% int.	12/21/00
POSTLE ALUMINUM COMPANY LLC		
A manufacturer and distributor of aluminum extruded products.		
12% Senior Subordinated Note due 2014	\$ 1,080,000	10/02/06
Limited Liability Company Unit	733 uts.	10/02/06
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	182 shs.	10/02/06
POWER SERVICES HOLDING COMPANY		

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

12% Senior Subordinated Note due 2016	\$ 1,255,814	02/11/08
Limited Partnership Interest (B)	94,092 int.	02/11/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	700 shs.	02/11/08

PROTEIN GENETICS, INC.

A producer of bovine artificial insemination products, related breeding and healthcare products and services for the dairy and beef industries.

9.8% Redeemable Exchangeable Preferred Stock (B)	332 shs.	08/12/94
Common Stock (B)	867 shs.	*

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

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008
(Unaudited)

MassMutual Participation Investors

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date

CORPORATE RESTRICTED SECURITIES: (A) (Continued)

QUALIS AUTOMOTIVE LLC

A distributor of aftermarket automotive brake and chassis products.

12% Senior Subordinated Note due 2012	\$ 937,500	05/28/04
Common Stock	187,500 shs.	05/28/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share	199,969 shs.	05/28/04

QUALSERV CORPORATION

A provider of foodservice equipment and supplies to major restaurant chains and their franchisees.

Limited Partnership Interest (B)	4.90% int.	07/09/04
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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	\$ 1,200,277	12/15/06
Limited Liability Company Unit (B)	1,497 uts.	12/15/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	2 shs.	12/15/06

R E I DELAWARE HOLDING, INC.

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

12% Senior Subordinated Note due 2016	\$ 1,350,000	01/18/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	3 shs.	01/18/08

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RADIAC ABRASIVES, INC.

A manufacturer of bonded abrasive and super abrasive grinding wheels in the United States.		
12% Senior Subordinated Note due 2014	\$ 1,196,809	02/10/06
Common Stock (B)	153,191 shs.	02/10/06
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	69,647 shs.	02/10/06

ROYAL BATHS MANUFACTURING COMPANY

A manufacturer and distributor of acrylic and cultured marble bathroom products.		
12.5% Senior Subordinated Note due 2011	\$ 562,500	11/14/03
Warrant, exercisable until 2011, to purchase common stock at \$.01 per share (B)	74 shs.	11/14/03

SAFETY SPEED CUT MANUFACTURING COMPANY, INC.

A manufacturer of vertical panel saws and routers for the wood working industry.		
Class B Common Stock (B)	846 shs.	06/02/99

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008
(Unaudited)

MassMutual Participation Investors

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
SAVAGE SPORTS HOLDING, INC.		
A manufacturer of sporting firearms.		
12% Senior Subordinated Note due 2012	\$ 814,655	09/10/04
Common Stock (B)	324 shs.	*
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	71 shs.	09/10/04
SMART SOURCE HOLDINGS LLC		
A short-term computer rental company.		
12% Senior Subordinated Note due 2015	\$ 1,176,924	**
Limited Liability Company Unit (B)	328 uts.	**
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	83 shs.	**
SPECIALTY FOODS GROUP, INC.		
A manufacturer and distributor of branded meat products.		
Limited Partnership Interest of MHD Holdings LLC (B)	0.76% int.	08/29/00
STANTON CARPET HOLDING CO.		
A designer and marketer of high and mid-priced decorative carpets and rugs.		
12.13% Senior Subordinated Note due 2014	\$ 1,185,366	08/01/06

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Common Stock (B)	165 shs.	08/01/06
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	55 shs.	08/01/06

SYNTERACT HOLDINGS CORPORATION

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

14% Senior Subordinated Note due 2016	\$ 1,350,000	09/02/08
Warrant, exercisable until 2018, to purchase preferred stock at \$.01 per share (B)	678 shs.	09/02/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	6,778 shs.	09/02/08

T H I ACQUISITION, INC.

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

12% Senior Subordinated Note due 2016	\$ 1,350,000	01/14/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	5 shs.	01/14/08

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

** 08/31/07 and 03/06/08.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		

TANGENT RAIL CORPORATION

A manufacturer of rail ties and provider of specialty services to the North American railroad industry

13% Senior Subordinated Note due 2015	\$ 1,173,909	10/14/05
Common Stock	1,167 shs.	10/14/05
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share	631 shs.	09/30/08

TERRA RENEWAL LLC

A provider of wastewater residual management and required environmental reporting, permitting, and record keeping to companies involved in poultry and food processing.

6.74% Senior Secured Tranche B Note due 2012 (C)	\$ 14,838	*
7.05% Senior Secured Tranche B Note due 2012 (C)	\$ 851,552	*
8.25% Senior Secured Tranche B Note due 2012 (C)	\$ 824	09/30/08
12% Senior Subordinated Note due 2014	\$ 664,062	**
Limited Partnership Interest of Saw Mill Capital Fund V, L.P. (B)	2.27% int.	03/01/05
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	41 shs.	04/28/06

TORRENT GROUP HOLDINGS, INC.

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A contractor specializing in the sales and installation of engineered drywells for the retention nuisance water flow.

12.5% Senior Subordinated Note due 2013	\$ 1,185,366	10/26/07
Series A Preferred Stock (B)	219 shs.	10/26/07

TOTAL E & S, INC.

A manufacturer of a wide variety of equipment used in the oil and gas industry.

10.5% Senior Secured Term Note due 2013	\$ 486,487	03/02/07
13% Senior Subordinated Note due 2014	\$ 341,971	03/02/07
Common Stock (B)	71,542 shs.	03/02/07
Warrant, exercisable until 2014 to purchase common stock at \$.01 per share (B)	19,733 shs.	03/02/07

TRANSPAC HOLDING COMPANY

A designer, importer, and wholesaler of home decor and seasonal gift products.

12% Senior Subordinated Note due 2015	\$ 938,651	10/31/07
Common Stock (B)	110 shs.	10/31/07
Warrant, exercisable until 2015, to purchase common stock at \$.01 per share (B)	50 shs.	10/31/07

* 04/28/06 and 12/21/06.

** 04/28/06 and 09/13/06.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

MassMutual Participation Investors

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----

TRANSTAR HOLDING COMPANY

A distributor of aftermarket automotive transmission parts.

12% Senior Subordinated Note due 2014	\$ 918,000	08/31/05
Common Stock (B)	571 shs.	*
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	46 shs.	08/31/05

TRANZONIC COMPANIES (THE)

A producer of commercial and industrial supplies, such as safety products, janitorial supplies, w supplies and sanitary care products.

13% Senior Subordinated Note due 2010	\$ 1,356,000	02/05/98
Common Stock (B)	315 shs.	02/04/98
Warrant, exercisable until 2009, to purchase common stock at \$.01 per share (B)	222 shs.	02/05/98

TRUCK BODIES & EQUIPMENT INTERNATIONAL

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A designer and manufacturer of accessories for heavy and medium duty trucks, primarily dump bodies, flat-bed bodies, landscape bodies and other accessories.

12% Senior Subordinated Note due 2013 (D)	\$ 1,222,698	**
Common Stock (B)	393 shs.	**
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	81 shs.	**

TRUSTILE DOORS, INC.

A manufacturer and distributor of interior doors.

Warrant, exercisable until 2010, to purchase common stock at \$.01 per share (B)	3,060 shs.	04/11/03
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U M A ENTERPRISES, INC.

An importer and wholesaler of home decor products.

15% Senior Subordinated Note due 2015	\$ 890,956	02/08/08
Convertible Preferred Stock (B)	470 shs.	02/08/08

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	\$ 996,500	04/30/04
Common Stock (B)	96 shs.	04/30/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	122 shs.	04/30/04

* 08/31/05 and 04/30/07.

** 07/19/05 and 12/22/05.

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

September 30, 2008

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
VICTORY VENTURES LLC		
An acquirer of controlling or substantial interests in other entities.		
Series A Preferred Units (B)	1 ut.	12/02/96
VISIONEERING, INC.		
A designer and manufacturer of tooling and fixtures for the aerospace industry.		
10.5% Senior Secured Term Loan due 2013	\$ 458,824	05/17/07
13% Senior Subordinated Note due 2014	\$ 370,588	05/17/07
Common Stock (B)	70,588 shs.	05/17/07
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	20,003 shs.	05/17/07