

MASSMUTUAL PARTICIPATION INVESTORS

Form N-30D

May 28, 2010

MassMutual  
Participation Investors

Report for the  
Three Months Ended March 31, 2010

[LOGO]

ADVISER

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

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP  
Boston, Massachusetts 02110

COUNSEL TO THE TRUST

Ropes & Gray LLP  
Boston, Massachusetts 02110

CUSTODIAN

Citibank, N.A.  
New York, New York 10043

TRANSFER AGENT & REGISTRAR

Shareholder Financial Services, Inc.\*  
P.O. Box 173673  
Denver, Colorado 802 17-3673  
1-800-647-7374

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

INTERNET WEBSITE

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

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

\* Member of the MassMutual Financial Group

---

### INVESTMENT OBJECTIVE AND POLICY

MassMutual Participation Investors (the "Trust") is a closed-end management investment company, first offered to the public in 1988, whose shares are traded on the New York Stock Exchange under the trading symbol "MPV". The Trust's share price can be found in the financial section of most newspapers as "MassPrt" or "MassMuPrt" under either the New York Stock Exchange listings or Closed-End Fund Listings.

The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. At least half of these investments normally include equity features such as common stock, warrants, conversion rights, or other equity features that provide the Trust with the opportunity to realize capital gains. The Trust will also invest in publicly traded debt securities (including high yield securities), again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay principal. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

Babson Capital Management LLC ("Babson Capital") manages the Trust on a total return basis. The Trust distributes substantially all of its net income to shareholders each year. Accordingly, the Trust pays dividends to shareholders in January, May, August, and November. All registered shareholders are automatically enrolled in the Dividend Reinvestment and Cash Purchase Plan unless cash distributions are requested.

### 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

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

at <http://www.sec.gov>. Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) on the Trust's website: <http://www.babsoncapital.com/mpv>; and (2) on the SEC's website at <http://www.sec.gov>.

MPV  
Listed  
NYSE

MassMutual Participation Investors

TO OUR SHAREHOLDERS

April 30, 2010

We are pleased to present the March 31, 2010 Quarterly Report of MassMutual Participation Investors (the "Trust").

The Board of Trustees declared a quarterly dividend of 25 cents per share, payable on May 7, 2010 to shareholders of record on April 26, 2010. The Trust paid a 25 cent per share dividend for the preceding quarter. The Trust earned 24 cents per share of net investment income for the first quarter of 2010, compared to 20 cents per share in the previous quarter.

During the first quarter, the net assets of the Trust increased to \$111,638,992 or \$11.16 per share compared to \$108,925,375 or \$10.91 per share on December 31, 2009. This translates into a 2.3% 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 15.0%, 3.5%, 9.9%, and 10.8% for the 1-, 3-, 5-, and 10-year time periods, respectively, based on the change in the Trust's net assets assuming the reinvestment of all dividends.

The Trust's share price increased 2.5% during the quarter, from \$12.20 per share as of December 31, 2009 to \$12.50 per share as of March 31, 2010. The Trust's market price of \$12.50 per share equates to a 12.0% premium over the March 31, 2010 net asset value per share of \$11.16. The Trust's average quarter-end premium for the 3, 5 and 10-year periods was 0.8%, 2.0% and 6.3%, respectively. U.S. equity markets, as approximated by the Russell 2000 Index, increased 8.9% for the quarter. U.S. fixed income markets, as approximated by the Barclays Capital U.S. Corporate High Yield Index, increased 4.6% for the quarter.

The Trust closed two new private placement investments during the first quarter. The two new investments were in Manhattan Beachwear Holding Company and Eatem Holding Company. A brief description of these investments can be found in the Consolidated Schedule of Investments. The total amount invested by the Trust in these two transactions was \$2,000,000.

Banks and other senior debt providers have steadily increased the amount of capital available to finance middle market buyout transactions over the past few quarters. As a result, we have seen a significant increase in deal flow available to the Trust over the past few months. We are hopeful that this higher level of deal flow will translate into an increase in the number of new investments for the Trust as we progress through the rest of 2010. On the negative side, the trend towards lower leverage and more conservative capital structures that we enjoyed through most of 2009 appears to be changing. Leverage multiples have increased since the start of 2010 and we expect them to continue to increase during the rest of the year. At the same time, we are seeing downward pressure on pricing and return expectations. However, our approach to investing will not change. We will continue to maintain the same discipline and investment philosophy that has served us well for so many years.

During 2009, we spent considerable time working closely with the transaction

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

sponsors and management teams of many of our portfolio companies who were struggling due to the weak economy. With the economy now improving, it is refreshing to see many of our underperforming companies starting to show signs of improved results. Assuming the economy continues to improve, we expect the overall condition of the Trust's portfolio to strengthen as the rest of 2010 unfolds. We are also seeing signs of a recovery in realization activity. One of the Trust's portfolio companies, Tangent Rail Corporation, was sold for a gain on April 1, 2010. There are a number of portfolio companies that are in various stages of a sale process and we are hopeful that many of these will turn into successful realizations in the upcoming quarters.

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

Sincerely,

/s/ Michael L. Klofas  
Michael L. Klofas  
President

---

### PORTFOLIO COMPOSITION AS OF 3/31/10\*

[PIE CHART APPEARS HERE]

PRIVATE / 144A HIGH YIELD DEBT 70.2%	PUBLIC HIGH YIELD DEBT 13.3%
PRIVATE / RESTRICTED EQUITY 12.5%	PUBLIC EQUITY 0.5%
CASH & SHORT-TERM INVESTMENTS 3.5%	

\* 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.

---

1

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES  
MARCH 31, 2010  
(UNAUDITED)

ASSETS:

Investments

(See Consolidated Schedule of Investments)

Corporate restricted securities at fair value

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

(Cost - \$115,733,457)	\$ 97,697,290
Corporate restricted securities at market value	
(Cost - \$ 4,086,961)	4,202,113
Corporate public securities at market value	
(Cost - \$ 17,792,780)	16,952,356
Short-term securities at amortized cost	2,199,934
	-----
	121,051,693
Cash	2,062,887
Interest receivable	2,654,737
Receivable for investments sold	424,920
Other assets	18,869
	-----
TOTAL ASSETS	126,213,106
	-----
LIABILITIES:	
Payable for investments purchased	1,871,429
Investment advisory fee payable	251,188
Note payable	12,000,000
Interest payable	262,933
Accrued expenses	112,076
Accrued taxes payable	76,488
	-----
TOTAL LIABILITIES	14,574,114
	-----
TOTAL NET ASSETS	\$ 111,638,992
	=====
NET ASSETS:	
Common shares, par value \$.01 per share; an unlimited number authorized	\$ 100,009
Additional paid-in capital	93,309,916
Retained net realized gain on investments, prior years	32,871,737
Undistributed net investment income	3,633,410
Accumulated net realized gain on investments	561,847
Net unrealized depreciation of investments	(18,837,927)
	-----
TOTAL NET ASSETS	\$ 111,638,992
	=====
COMMON SHARES ISSUED AND OUTSTANDING	10,000,896
	=====
NET ASSET VALUE PER SHARE	\$ 11.16
	=====

See Notes to Consolidated Financial Statements

2

CONSOLIDATED STATEMENT OF OPERATIONS MassMutual Participation Investors  
FOR THE THREE MONTHS ENDED MARCH 31, 2010  
(UNAUDITED)

INVESTMENT INCOME:	
Interest	\$ 2,898,569
Dividends	493
Other	12,050
	-----
TOTAL INVESTMENT INCOME	2,911,112
	-----

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

EXPENSES:	
Investment advisory fees	251,188
Interest	174,000
Trustees' fees and expenses	41,438
Professional fees	34,500
Reports to shareholders	27,000
Custodian fees	6,000
Transfer agent/registrar's expenses	4,500
Other	11,200
	-----
Total expenses	549,826
	-----
Investment income - net	2,361,286
	-----
Net realized and unrealized gain (loss) on investments:	
Net realized gain on investments before taxes	294,891
Income tax expense	(477)
	-----
Net realized gain on investments after taxes	294,414
Net change in unrealized depreciation of investments before taxes	(160,143)
Net change in deferred income tax expense	8,475
	-----
Net change in unrealized depreciation of investments after taxes	(151,668)
	-----
Net gain on investments	142,746
	-----
Net increase in net assets resulting from operations	\$ 2,504,032
	=====

See Notes to Consolidated Financial Statements

3

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2010 (UNAUDITED)

NET DECREASE IN CASH:	
Cash flows from operating activities:	
Purchases/Proceeds/Maturities from short-term portfolio securities, net	\$ 5,324,540
Purchases of portfolio securities	(7,461,818)
Proceeds from disposition of portfolio securities	2,046,792
Interest, dividends and other income received	1,648,556
Operating expenses paid	(453,723)
Income taxes paid	(36,477)
	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,067,870
	-----
Cash flows from financing activities:	
Cash dividends paid from net investment income	(2,495,810)
Receipts for shares issued on reinvestment of dividends	209,585
	-----
NET CASH USED FOR FINANCING ACTIVITIES	(2,286,225)
	-----
NET DECREASE IN CASH	(1,218,355)

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

Cash - beginning of year	3,281,242
	-----
CASH - END OF PERIOD	\$ 2,062,887
	=====

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

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 2,504,032
	-----
Increase in investments	(1,809,632)
Increase in interest receivable	(1,132,542)
Increase in receivable for investments sold	(379,307)
Increase in other assets	(18,869)
Increase in payable for investments purchased	1,871,429
Increase in investment advisory fee payable	6,106
Increase in interest payable	174,000
Decrease in accrued expenses	(44,751)
Decrease in accrued taxes payable	(44,475)
Decrease in other payables	(58,121)
	-----
TOTAL ADJUSTMENTS TO NET ASSETS FROM OPERATIONS	(1,436,162)
	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,067,870
	=====

See Notes to Consolidated Financial Statements

-----  
4

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS MassMutual Participation Investors

	For the three months ended 03/31/10 (Unaudited)	y
	-----	-----
INCREASE (DECREASE) IN NET ASSETS:		
Operations:		
Investment income - net	\$ 2,361,286	\$
Net realized gain on investments	294,414	
Net change in unrealized depreciation of investments	(151,668)	
	-----	-----
Net increase in net assets resulting from operations	2,504,032	
Increase from common shares issued on reinvestment of dividends		
Common shares issued (2010 - 17,657; 2009 - 55,996)	209,585	
Dividends to shareholders from:		
Net investment income (2009 - \$1.00 per share)	--	
	-----	-----
TOTAL INCREASE (DECREASE) IN NET ASSETS	2,713,617	

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

Net assets, beginning of year	108,925,375	1
	-----	---
NET ASSETS, END OF PERIOD/YEAR (including undistributed net investment income of \$3,633,410 and \$1,272,124, respectively)	\$111,638,992	\$1
	=====	==

See Notes to Consolidated Financial Statements

5

### CONSOLIDATED SELECTED FINANCIAL HIGHLIGHTS SELECTED DATA FOR EACH SHARE OF BENEFICIAL INTEREST OUTSTANDING

	For the three months ended 3/31/2010 (Unaudited)	For the years ended De		
		2009	2008	2007
	-----	-----	-----	-----
Net asset value:				
Beginning of year	\$ 10.91	\$ 11.10	\$ 12.84	\$ 12.90
Net investment income (a)	0.24	0.94	1.08	1.23
Net realized and unrealized gain (loss) on investments	0.01	(0.13)	(1.82)	(0.05)
Total from investment operations	0.25	0.81	(0.74)	1.18
Dividends from net investment income to common shareholders	--	(1.00)	(1.00)	(1.23)
Dividends from net realized gain on investments to common shareholders	--	--	--	(0.02)
Increase from dividends reinvested	--	0.00 (c)	0.00 (c)	0.01
Total dividends	--	(1.00)	(1.00)	(1.24)
Net asset value: end of period/year	\$ 11.16	\$ 10.91	\$ 11.10	\$ 12.84
Per share market value:				
End of period/year	\$ 12.50	\$ 12.20	\$ 9.05	\$ 13.18
Total investment return				
Net asset value (d)	2.29%	7.60%	(6.01%)	9.95%
Market value	2.46%	40.86%	(25.36%)	(1.30%)
Net assets (in millions):				
End of period/year	\$ 111.64	\$ 108.93	\$ 110.18	\$ 126.63
Ratio of operating expenses to average net assets	1.38% (e)	1.41%	1.33%	1.36%
Ratio of interest expense to average net assets	0.64% (e)	0.63%	0.58%	0.56%



Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

Ratio of income tax expense to average net assets (f)	0.00%(e)	0.00%	0.00%	0.48%
Ratio of total expenses before custodian fee reduction to average net assets (f)	2.02%(e)	2.04%	1.91%	2.40%
Ratio of net expenses after custodian fee reduction to average net assets (f)	2.02%(e)	2.04%	1.91%	2.40%
Ratio of net investment income to average net assets	8.67%(e)	8.55%	8.74%	9.32%
Portfolio turnover	2%	23%	32%	33%

(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 of 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 of future results.

(e) Annualized

(f) As additional information, this ratio is included to reflect the taxes paid on retained long-netted against realized capital gains in the Statement of Operations. The taxes paid are treated as a 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	\$ 10,303	\$ 10,077	\$ 10,181	\$ 11,552

See Notes to Consolidated Financial Statements

6

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
CORPORATE RESTRICTED SECURITIES - 91.27%:(A)		
PRIVATE PLACEMENT INVESTMENTS - 87.51%		
A E COMPANY, INC.		
A designer and manufacturer of machined parts and assembly structures for the commercial and military		
11% Senior Secured Note due 2015	\$ 807,692	*
13% Senior Subordinated Note due 2016	\$ 807,693	11/10/09
Common Stock (B)	184,615 shs.	11/10/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	92,308 shs.	11/10/09

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

\* 11/10/09 and 11/18/09.

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	\$ 1,322,210	11/21/07
Limited Partnership Interest (B)	12.26% int.	11/21/07

A S A P INDUSTRIES LLC

A designer and manufacturer of components used on oil and natural gas wells.

12.5% Senior Subordinated Note due 2015	\$ 450,500	12/31/08
Limited Liability Company Unit Class A-2 (B)	677 uts.	12/31/08
Limited Liability Company Unit Class A-3 (B)	608 uts.	12/31/08

A S C GROUP, INC.

A designer and manufacturer of high reliability encryption equipment, communications products, components primarily for the military and aerospace sectors.

12.75% Senior Subordinated Note due 2016	\$ 1,227,273	10/09/09
Limited Liability Company Unit Class A (B)	1,249 uts.	10/09/09
Limited Liability Company Unit Class B (B)	1,473 uts.	10/09/09

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

-----

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

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

CORPORATE RESTRICTED SECURITIES: (A) (Continued)

ADVANCED TECHNOLOGIES HOLDINGS

A provider of factory maintenance services to industrial companies.

15% Senior Subordinated Note due 2013	\$ 1,155,508	12/27/07
Preferred Stock (B)	546 shs.	12/27/07

AERO HOLDINGS, INC.

A provider of geospatial services to corporate and government clients.

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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

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

\* 01/22/04 and 06/09/08. \*\* 01/22/04 and 09/12/06.

APEX ANALYTIX HOLDING CORPORATION

A provider of audit recovery and fraud detection services and software to commercial and retail b

12.5% Senior Subordinated Note due 2016	\$ 1,012,500	04/28/09
Preferred Stock Series B (B)	1,623 shs.	04/28/09
Common Stock (B)	723 shs.	04/28/09

-----  
8

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES:(A) (Continued)	Principal Amount	Acquisition Date
	Shares, Units or Ownership Percentage	
-----		
ARROW TRU-LINE HOLDINGS, INC.		
A manufacturer of hardware for residential and commercial overhead garage doors in North America.		
14% Senior Subordinated Note due 2012	\$ 984,209	05/18/05
Preferred Stock (B)	33 shs.	10/16/09
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

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

A designer and marketer of niche branded consumer products including canopies, trampolines, in-line 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
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

CAPITAL SPECIALTY PLASTICS, INC.

A producer of desiccant strips used for packaging pharmaceutical products.

Common Stock (B)	55 shs.	*
------------------	---------	---

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

CLOUGH, HARBOUR AND ASSOCIATES

An engineering service firm that is located in Albany, NY.

12.25% Senior Subordinated Note due 2015	\$ 1,270,588	12/02/08
Preferred Stock (B)	147 shs.	12/02/08

### CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
COEUR, INC.		
A producer of proprietary, disposable power injection syringes.		
12% Senior Subordinated Note due 2016	\$ 642,857	10/10/08
Common Stock (B)	321 shs.	10/10/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	495 shs.	10/10/08

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

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

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)	6.8 8% int.	*

\*08/12/04 and 01/14/05.

COREPHARMA LLC

A manufacturer of oral dose generic pharmaceuticals targeted at niche applications.		
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

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

-----  
10

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2010  
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
CUSTOM ENGINEERED WHEELS, INC.		
A manufacturer of custom engineered, non-pneumatic plastic wheels and plastic tread cap tires use products and wheelchairs.		
12.5% Senior Subordinated Note due 2016	\$ 1,155,288	10/27/09
Preferred Stock PIK	156 shs.	10/27/09
Preferred Stock Series A	114 shs.	10/27/09
Common Stock (B)	38 shs.	10/27/09
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	28 shs.	10/27/09

DAVIS-STANDARD LLC

A manufacturer, assembler, and installer of a broad range of capital equipment that is used in th processing of plastic materials.		
12% Senior Subordinated Note due 2014	\$ 978,261	10/30/06

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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)	1,293 shs.	12/14/01
Warrants, exercisable until 2011, to purchase common stock of DHI Holdings, Inc. at \$.01 per share (B)	6,676 shs.	*

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

DUNCAN SYSTEMS, INC.

A distributor of windshields and side glass for the recreational vehicle market.

10% Senior Secured Term Note due 2013	\$ 231,429	11/01/06
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

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

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

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES:(A) (Continued)	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
E S P HOLDCO, INC.		
A manufacturer of power protection technology for commercial office equipment, primarily supplying network.		
14% Senior Subordinated Note due 2015	\$ 1,228,850	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

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

common stock at \$.01 per share (B) 11 shs. 06/28/04

EATEM HOLDING COMPANY

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

12.5% Senior Subordinated Note due 2018	\$ 950,000	02/01/10
Common Stock	50 shs.	02/01/10
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	119 shs.	02/01/10

F C X HOLDINGS CORPORATION

A distributor of specialty/technical valves, actuators, accessories, and process instrumentation high purity, and energy end markets in North America.

15% Senior Subordinated Note due 2015	\$ 1,169,376	10/06/08
Preferred Stock (B)	2,298 shs.	10/06/08
Common Stock (B)	1,625 shs.	10/06/08

F H S HOLDINGS LLC

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

12% Senior Subordinated Note due 2014 (D)	\$ 1,265,625	06/01/06
Limited Liability Company Units of Linden/FHS Holdings LLC (B)	84 uts.	06/01/06
Common Unit Class B (B)	734 uts.	06/01/06

FLUTES, INC.

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

10% Senior Secured Term Note due 2013 (D)	\$ 524,791	04/13/06
14% Senior Subordinated Note due 2014 (D)	\$ 317,177	04/13/06

-----  
12

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
GOLDEN COUNTY FOODS HOLDING, INC.		
A manufacturer of frozen appetizers and snacks.		
16% Senior Subordinated Note due 2015	\$ 1,012,500	11/01/07
16% PIK Note due 2015	\$ 212,282	12/31/08
8% Series A Convertible Preferred Stock, convertible into fully diluted common shares (B)	77,643 shs.	11/01/07

H M HOLDING COMPANY

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

A designer, manufacturer, and importer of promotional and wood furniture.		
7.5% Senior Subordinated Note due 2013 (D)	\$ 362,700	10/15/09
Preferred Stock (B)	21 shs.	*
Preferred Stock Series B (B)	1,088 shs.	10/15/09
Common Stock (B)	180 shs.	02/10/06
Common Stock Class C (B)	296 shs.	10/15/09
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	67 shs.	02/10/06

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

### 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.	*

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

### 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

-----

### CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
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
INTERNATIONAL OFFSHORE SERVICES LLC		
A leading provider of marine transportation services, platform decommissioning, and salvage services in shallow waters of the Gulf of Mexico.		
14.25% Senior Subordinated Secured Note due 2017	\$ 1,350,000	07/07/09
Limited Liability Company Unit (B)	1,647 uts.	07/07/09



Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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	\$ 1,295,234	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.

15.5% Senior Subordinated Note due 2013	\$ 1,595,057	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

-----  
14

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
CORPORATE RESTRICTED SECURITIES: (A) (Continued)		
K P I HOLDINGS, INC.		
Pace Industries is the largest player in the U.S. non-automotive, non-ferrous die casting segment		
13% Senior Subordinated Note due 2014	\$ 1,115,217	07/16/08
Convertible Preferred Stock Series C (B)	29 shs.	06/30/09
Convertible Preferred Stock Series D (B)	13 shs.	09/17/09
Common Stock (B)	235 shs.	07/15/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	388 shs.	*

\* 07/16/08 and 09/17/09.

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

K W P I HOLDINGS CORPORATION

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

18% Senior Subordinated Note due 2014	\$ 1,488,425	03/14/07
Common Stock (B)	123 shs.	03/13/07
Warrant, exercisable until 2019, to purchase preferred stock at \$.01 per share (B)	71 shs.	07/07/09
Warrant, exercisable until 2017, to purchase common stock at \$.01 per share (B)	89 shs.	03/14/07

K-TEK HOLDING CORPORATION

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

14% Senior Subordinated Note due 2015	\$ 1,211,004	12/20/07
Preferred Stock (B)	192,314 shs.	12/20/07
Common Stock (B)	54,326 shs.	12/20/07

L H D EUROPE HOLDING, INC.

A non-carbonated beverage dispensing company focused on the food service industry.

Common Stock (B)	45 shs.	12/28/09
------------------	---------	----------

M V I HOLDING, INC.

A manufacturer of large precision machined metal components used in equipment which services a variety of industries including oil and gas, mining, and defense markets.

13% Senior Subordinated Note due 2016	\$ 652,886	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

-----

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage -----	Acquisition Date -----
MAIL COMMUNICATIONS GROUP, INC.		
A provider of mail processing and handling services, lettershop services, and commercial printing services.		
12.5% Senior Subordinated Note due 2014	\$ 516,177	05/04/07
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
* 05/04/07 and 01/02/08.		
MANHATTAN BEACHWEAR HOLDING COMPANY		
A designer and distributor of women's swimwear.		
12.5% Senior Subordinated Note due 2018	\$ 882,353	01/15/10
Common Stock (B)	118 shs.	01/15/10

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

Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	104 shs.	01/15/10
---	----------	----------

### MAVERICK ACQUISITION COMPANY

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

6.79% Senior Secured Tranche A Note due 2010 (C)	\$ 128,230	09/03/04
12.5% Senior Secured Tranche B Note due 2011	\$ 179,104	09/03/04
6.75% Senior Secured Revolver due 2011 (C)	\$ 29,105	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

### 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	\$ 617,585	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

### MEGTEC HOLDINGS, INC.

A supplier of industrial and environmental products and services to a broad array of industries.

12% Senior Subordinated Note due 2016	\$ 1,144,068	09/24/08
Preferred Stock (B)	56 shs.	09/24/08
Limited Partnership Interest (B)	0.74% int.	09/16/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	18 shs.	09/24/08

-----  
16

### MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2010  
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES: (A) (Continued)	-----	-----
 MICROGROUP, INC.		
A manufacturer of precision parts and assemblies, and a value-added supplier of metal tubing and		
12% Senior Subordinated Note due 2013 (D)	\$ 1,421,795	*
Common Stock (B)	238 shs.	*
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	87 shs.	*

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

### MILWAUKEE GEAR COMPANY

A manufacturer of high-precision custom gears and gear drives used by original equipment manufact

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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 architecture 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

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 (D)	\$ 1,350,000	07/25/08
14% PIK Note due 2014 (D)	\$ 419,713	07/25/08
Warrant, exercisable until 2014, to purchase common stock at \$.02 per share (B)	81 shs.	03/31/06

NABCO, INC.

A producer of explosive containment vessels in the United States.		
14% Senior Subordinated Note due 2014	\$ 330,882	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

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

-----  
CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2010  
(Unaudited)

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

NAVIS GLOBAL

A designer, manufacturer, seller and servicer of finishing machinery for the knit and woven segments		
12% Senior Secured Term Note Series A due 2010	\$ 16,854	11/14/08
14% Senior Subordinated Note due 2014 (D)	\$ 764,921	05/28/04
10.75% Senior Secured Note due 2011 (D)	\$ 348,118	05/28/04

NESCO HOLDINGS CORPORATION

A sales and leasing company that provides equipment to the electric utility, telecommunications, and other industries		
12% Senior Secured Subordinated Note due 2015	\$ 1,125,000	08/02/07

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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

12% Senior Subordinated Note due 2014	\$ 810,000	02/02/07
Limited Partnership Interest of Saw Mill PCG Partners LLC (B)	1.38% int.	02/01/07
Limited Liability Company Unit Class D of Saw Mill PCG Partners LLC (B)	8 uts.	*
Limited Liability Company Unit Class D- 1 of Saw Mill PCG Partners LLC (B)	43 uts.	09/30/09
Preferred Stock Class A (B)	1 sh.	12/18/08
Preferred Stock Class A-1 (B)	4 shs.	09/30/09
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	48 shs.	02/02/07

\* 12/18/09 and 09/30/09.

NORTHWEST MAILING SERVICES, INC.

A producer of promotional materials for companies that use direct mail as part of their customer

12% Senior Subordinated Note due 2016	\$ 1,207,895	07/09/09
Limited Partnership Interest (B)	1,421, uts.	07/09/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	1,852 shs.	07/09/09

18

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
	-----	-----
NYLONCRAFT, INC.		
A supplier of engineered plastic components for the automotive industry.		
10% Senior Secured Note due 2012	\$ 464,286	01/28/02
15% Senior Subordinated Note due 2012 (D)	\$ 285,714	01/28/02
Convertible Preferred Stock A (B)	571 shs.	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	\$ 83,264	01/03/06
----------------------------------	-----------	----------

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

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 2010 (D)	\$ 511,000	08/07/98
12% Senior Subordinated Note due 2010 (D)	\$ 244,154	02/09/00

### 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

### 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	\$ 1,236,634	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

---

### CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(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.

14% Senior Subordinated Note due 2012	\$ 704,835	04/27/07
Limited Liability Company Unit (B)	928,962 uts.	04/27/07

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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

PEARLMAN ENTERPRISES, INC.

A developer and distributor of tools, equipment and supplies to the natural and engineered stone  
 Preferred Stock Series A (B) 1,236 shs. 05/22/09  
 Preferred Stock Series B (B) 7,059 shs. 05/22/09  
 Common Stock (B) 21.462 shs. 05/22/09

POSTLE ALUMINUM COMPANY LLC

A manufacturer and distributor of aluminum extruded products.  
 3% Senior Subordinated PIK Note due 2014 (D) \$ 1,163,700 10/02/06  
 Limited Liability Company Unit Class A 733 uts. 10/02/06  
 Limited Liability Company Unit 76 uts. 05/22/09  
 Warrant, exercisable until 2016, to purchase  
 common stock at \$.01 per share (B) 4,550 shs. 10/02/06

-----  
 20

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
-----		
CORPORATE RESTRICTED SECURITIES:(A) (Continued)		
POWER SERVICES HOLDING COMPANY		
A provider of industrial motor repair services, predictive and preventative maintenance, and performance 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)	12.55% int.	02/11/08
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	700 shs.	02/11/08
PRECISION WIRE HOLDING COMPANY		
A manufacturer of specialty medical wires that are used in non-elective minimally invasive surgical		
14.25% Senior Subordinated Note due 2016	\$ 1,357,886	11/12/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	109 shs.	11/12/09

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

QUALIS AUTOMOTIVE LLC

A distributor of aftermarket automotive brake and chassis products.

13% Senior Subordinated Note due 2012	\$ 922,612	05/28/04
Common Stock (B)	187,500 shs.	05/28/04
Warrant, exercisable until 2012, to purchase common stock at \$.01 per share (B)	199,969 shs.	05/28/04

RAJ MANUFACTURING HOLDINGS LLC

A designer and manufacturer of women's swimwear sold under a variety of licensed brand names.

14.5% Senior Subordinated Note due 2014	\$ 1,288,627	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 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

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

-----

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

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



Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

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

SENCORE HOLDING COMPANY

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

12.5% Senior Subordinated Note due 2014	\$ 934,615	01/15/09
Common Stock (B)	69 shs.	01/15/09
Warrant, exercisable until 2019, to purchase common stock at \$.01 per share (B)	149 shs.	01/15/09

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.	*

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

SPARTAN FOODS HOLDING COMPANY

A manufacturer of branded pizza crusts and pancakes.

12.5% Senior Subordinated Note due 2017	\$ 1,012,500	12/15/09
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	136 shs.	12/15/09

SPECIALTY COMMODITIES, INC.

A distributor of specialty food ingredients.

13.25% Senior Subordinated Note due 2016	\$ 1,212,720	10/23/08
Common Stock (B)	15,882 shs.	10/23/08
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	5,852 shs.	10/23/08

-----  
22

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010  
(Unaudited)

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

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

### SUNDANCE INVESTCO LLC

A provider of post-production services to producers of movies and television shows.  
 Limited Liability Company Unit Class A 3,405 shs. 03/31/10

### SYNERACT HOLDINGS CORPORATION

A provider of outsourced clinical trial management services to pharmaceutical and biotechnology c  
 4% Senior Subordinated Note due 2016 \$ 1,371,709 09/02/08  
 Redeemable Preferred Stock Series A (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

### TANGENT RAIL CORPORATION

A manufacturer of rail ties and provider of specialty services to the North American railroad ind  
 13% Senior Subordinated Note due 2015 \$ 1,173,909 10/14/05  
 Common Stock (B) 1,167 shs. 10/14/05  
 Warrant, exercisable until 2015, to purchase  
 common stock at \$.01 per share (B) 631 shs. 09/30/08

### TELECORPS HOLDINGS, INC.

A provider of equipment and services to producers of television shows and motion pictures.  
 12.75% Senior Subordinated Note due 2016 \$ 1,681,677 \*  
 Common Stock (B) 143 shs. 09/02/09  
 Warrant, exercisable until 2019, to purchase  
 common stock at \$.01 per share (B) 4,187 shs. \*

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

### CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)		
TERRA RENEWAL LLC		
A provider of wastewater residual management and required environmental reporting, permitting, nu record keeping to companies involved in poultry and food processing.		
12% Senior Subordinated Note due 2014	\$ 664,062	*
6.79% Term Note due 2012 (C)	\$ 781,483	*
8.75% Term Note due 2012 (C)	\$ 826	*
Limited Partnership Interest of		

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

Saw Mill Capital Fund V, LLC (B)	2.27% int.	**
Warrant, exercisable until 2016, to purchase common stock at \$.01 per share (B)	41 shs.	04/28/06

\* 04/28/06 and 09/13/06. \*\* 03/01/05 and 10/10/08.

### TORRENT GROUP HOLDINGS, INC.

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

12.5% Senior Subordinated Note due 2013 (D)	\$ 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 (D)	\$ 341,971	03/02/07

### TRANSPAC HOLDING COMPANY

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

12% Senior Subordinated Note due 2015 (D)	\$ 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

### 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

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

-----  
24

## MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
March 31, 2010  
(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----
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 2010, to purchase common stock at \$.01 per share (B)	222 shs.	02/05/98

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

TRUCK BODIES & EQUIPMENT INTERNATIONAL

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

16% Senior Subordinated Note due 2010 (D)	\$ 1,222,698	*
Preferred Stock Series B (B)	128 shs.	10/20/08
Common Stock (B)	393 shs.	*
Warrant, exercisable until 2013, to purchase common stock at \$.02 per share (B)	81 shs.	*
Warrant, exercisable until 2018, to purchase common stock at \$.01 per share (B)	558 shs.	10/20/08

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

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
--	------------	----------

U M A ENTERPRISES, INC.

An importer and wholesaler of home decor products.

15% Senior Subordinated Note due 2015	\$ 938,797	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.

14.5% Senior Subordinated Note due 2012	\$ 996,500	04/30/04
14.5% PIK Note due 2012	\$ 139,125	10/06/09
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

-----

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----
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
18% PIK Convertible Preferred Stock (B)	21,361 shs.	03/13/09
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

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

VITEX PACKAGING GROUP, INC.

A manufacturer of specialty packaging, primarily envelopes and tags used on tea bags.

10% Senior Subordinated PIK Note due 2011 (D)	\$ 85,308	07/19/04
5% Senior Subordinated PIK Note due 2011 (D)	\$ 450,000	06/30/07
Class B Unit (B)	406,525 uts.	10/29/09
Class C Unit (B)	450,000 uts.	10/29/09
Limited Liability Company Unit Class A (B)	383,011 uts.	*
Limited Liability Company Unit Class B (B)	96,848 uts.	07/19/04

\* 07/19/04 and 10/29/09.

WAGGIN' TRAIN HOLDINGS LLC

A producer of premium quality meat dog treats.

14% Senior Subordinated Note due 2014	\$ 1,180,960	11/15/07
Limited Liability Company Unit Class B (B)	224 uts.	11/15/07
Limited Liability Company Unit Class C (B)	224 uts.	11/15/07

WALLS INDUSTRIES, INC.

A provider of branded workwear and sporting goods apparel.

Limited Partnership Interest (B)	0.20% int.	07/12/04
Common Stock (B)	2,133 shs.	12/21/07

WELLBORN FOREST HOLDING CO.

A manufacturer of semi-custom kitchen and bath cabinetry.

14.13% Senior Subordinated Note due 2014	\$ 911,250	11/30/06
Common Stock (B)	101 shs.	11/30/06
Warrant, exercisable until 2014, to purchase common stock at \$.01 per share (B)	51 shs.	11/30/06

-----  
26

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

	Principal Amount Shares, Units or Ownership Percentage	Acquisition Date
CORPORATE RESTRICTED SECURITIES:(A) (Continued)	-----	-----
WORKPLACE MEDIA HOLDING CO.		
A direct marketer specializing in providing advertisers with access to consumers in the workplace		
13% Senior Subordinated Note due 2015	\$ 613,692	05/14/07
Limited Partnership Interest (B)	12.26% int.	05/14/07
Warrant, exercisable until 2015, to purchase common stock at \$.02 per share (B)	47 shs.	05/14/07

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

XALOY SUPERIOR HOLDINGS, INC.

A provider of melt processing components and ancillary equipment for both plastic injection molding  
 15.5% Senior Subordinated Note due 2015 (D) \$ 1,229,741 09/08/08  
 Common Stock (B) 150 shs. 09/08/08

TOTAL PRIVATE PLACEMENT INVESTMENTS (E)

-----

### CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE RESTRICTED SECURITIES: (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost
	-----	-----	-----	-----
RULE 144A SECURITIES - 3.76%:				
BONDS - 3.76%				
ACCO Brands Corporation	10.625%	03/15/15	\$ 45,000	\$ 44,36
Advanced Micro Devices, Inc.	8.125	12/15/17	190,000	180,51
Appleton Papers, Inc.	11.250	12/15/15	252,000	250,00
Avis Budget Car Rental LLC	9.625	03/15/18	40,000	39,45
Cenveo Corporation	10.500	08/15/16	45,000	45,00
Coffeyville Resources LLC	9.000	04/01/15	70,000	69,65
Compucom Systems, Inc.	12.500	10/01/15	670,000	651,90
CONSOL Energy, Inc.	8.250	04/01/20	15,000	15,00
Douglas Dynamics LLC	7.750	01/15/12	485,000	461,64
Eastman Kodak Co.	9.750	03/01/18	375,000	367,42
G F S I, Inc. (C)	10.500	06/01/11	358,000	343,94
Gannett Company, Inc.	9.375	11/15/17	60,000	59,14
Headwaters, Inc.	11.375	11/01/14	45,000	44,58
International Lease Finance Corporation	8.625	09/15/15	75,000	73,81
JohnsonDiversey, Inc.	8.250	11/15/19	45,000	44,62
L B I Escrow Corporation	8.000	11/01/17	100,000	100,00
New Communications Holdings, Inc.	8.250	04/15/17	500,000	500,00
Sealed Air Corporation	7.875	06/15/17	500,000	492,50
Sinclair Television Group, Inc.	9.250	11/01/17	200,000	194,72
T W Telecom Holdings, Inc.	8.000	03/01/18	10,000	9,92
ViaSystems, Inc.	12.000	01/15/15	100,000	96,45
			-----	-----
TOTAL BONDS				4,084,68
				-----

CONVERTIBLE PREFERRED STOCK - 0.00%

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

ETEX Corporation (B)	194	17
TOTAL CONVERTIBLE PREFERRED STOCK		17
PREFERRED STOCK - 0.00%		
TherOX, Inc. (B)	26	1,03
TOTAL PREFERRED STOCK		1,03
COMMON STOCK - 0.00%		
Touchstone Health Partnership (B)	292	1,06
TOTAL COMMON STOCK		1,06
TOTAL RULE 144A SECURITIES		4,086,96
TOTAL CORPORATE RESTRICTED SECURITIES		\$119,820,41

28

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

CORPORATE PUBLIC SECURITIES - 15.19%: (A)	Interest Rate	Due Date	Principal Amount	Cost
BONDS - 14.62%				
Affinia Group, Inc.	9.000%	11/30/14	\$ 25,000	\$ 24,25
Allegheny Technologies, Inc.	9.375	06/12/19	500,000	521,41
Allied Waste NA	7.125	05/15/16	500,000	506,23
American General Finance Corporation	6.500	09/15/17	250,000	215,00
C R H America, Inc.	5.300	10/15/13	500,000	418,43
Centurytel, Inc.	5.000	02/15/15	500,000	516,35
Citigroup, Inc.	5.500	04/11/13	500,000	437,89
Cytec Industries, Inc.	8.950	07/01/17	600,000	603,88
Equifax, Inc.	4.450	12/01/14	500,000	518,26
Exide Corporation	10.500	03/15/13	250,000	252,68
Gencorp, Inc.	9.500	08/15/13	130,000	130,00
General Electric Capital Corporation	5.500	01/08/20	500,000	498,05
Goldman Sachs Group, Inc.	4.750	07/15/13	500,000	418,64
Goodyear Tire & Rubber Co.	10.500	05/15/16	50,000	48,10
Intelsat Jackson Holdings	9.250	06/15/16	690,000	714,19
International Game Technology	7.500	06/15/19	500,000	499,72
International Lease Finance Corporation	5.875	05/01/13	500,000	448,18
Iron Mountain, Inc.	8.750	07/15/18	500,000	512,61
Johnson Controls, Inc.	5.500	01/15/16	500,000	398,12
Manitowoc Company, Inc.	7.125	11/01/13	100,000	100,00
Markwest Energy Operating Co.	6.875	11/01/14	35,000	27,78
Masco Corporation	7.125	03/15/20	350,000	349,99
Morgan Stanley	5.500	01/26/20	500,000	497,30
Nortek, Inc.	11.000	12/01/13	100,444	98,95
Owens Corning, Inc.	9.000	06/15/19	30,000	29,51

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

Qwest Diagnostic, Inc.	4.750	01/30/20	500,000	498,66
Rental Service Corporation	9.500	12/01/14	175,000	175,67
Sheridan Acquisition Corporation	10.250	08/15/11	225,000	222,00
Speedway Motorsports, Inc.	8.750	06/01/16	35,000	33,94
Sprint Capital Corporation	6.900	05/01/19	440,000	405,22
Stewart & Stevenson LLC	10.000	07/15/14	735,000	754,88
Teck Resources Ltd.	10.750	05/15/19	30,000	28,55
Texas Industries, Inc.	7.250	07/15/13	35,000	35,00
The Valspar Corporation	7.250	06/15/19	500,000	501,46
Ticketmaster Entertainment, Inc.	10.750	07/28/16	250,000	250,00
Time Warner Cable, Inc.	5.000	02/01/20	500,000	489,79
Titan International, Inc.	8.000	01/15/12	70,000	70,00
Tube City IMS Corporation	9.750	02/01/15	1,000,000	989,44

-----

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2010  
 (Unaudited)

CORPORATE PUBLIC SECURITIES: (A) (Continued)	Interest Rate	Due Date	Shares or Principal Amount	Cost
	-----	-----	-----	-----
Tyco International Group SA	8.500%	01/15/19	\$ 500,000	\$ 457,49
Tyco International Group SA	6.550	10/01/17	125,000	124,99
United Components, Inc.	9.375	06/15/13	535,000	535,26
Verso Paper Holdings LLC	9.125	08/01/14	500,000	486,87
W P P Finance Corporation	5.875	06/15/14	500,000	508,09
TOTAL BONDS				15,353,00
COMMON STOCK - 0.56%				
CKX, Inc. (B)			52,500	422,62
Directed Electronics, Inc. (B)			195,118	982,86
ITC^DeltaCom, Inc. (B)			94,588	827,64
Intrepid Potash, Inc. (B)			185	5,92
Nortek, Inc. (B)			100	
Rue21, Inc. (B)			350	6,65
TOTAL COMMON STOCK				2,245,70
CONVERTIBLE BONDS - 0.01%				
Citadel Broadcasting Corporation	4.000%	02/15/11	\$ 250,000	194,06
TOTAL CONVERTIBLE BONDS				194,06
TOTAL CORPORATE PUBLIC SECURITIES				\$ 17,792,78
SHORT-TERM SECURITIES:	Interest Rate/Yield^	Due Date	Principal Amount	Cost
	-----	-----	-----	-----
COMMERCIAL PAPER - 1.97%				
Sabmiller PLC	0.270%	04/05/10	\$ 2,200,000	2,199,93



Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

TOTAL SHORT-TERM SECURITIES		----- 2,199,93 -----
TOTAL INVESTMENTS	108.43%	\$139,813,13 =====
Other Assets	4.62	
Liabilities	(13.05)	
	-----	
TOTAL NET ASSETS	100.00%	=====

- (A) In each of the convertible note, warrant, and common stock investments, the issuer has agreed certain registration rights.  
 (B) Non-income producing security.  
 (C) Variable rate security; rate indicated is as of 03/31/10.  
 (D) Defaulted security; interest not accrued.  
 (E) Illiquid security. As of March 31, 2010, the values of these securities amounted to \$97,697, of net assets.  
 ^ Effective yield at purchase  
 PIK - Payment-in-kind

-----  
 30

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2010  
 (Unaudited)

INDUSTRY CLASSIFICATION:	Fair Value/ Market Value	
	-----	
AEROSPACE - 4.33%		BUILDINGS & REAL ESTATE -
A E Company, Inc.	\$ 1,794,703	K W P I Holdings Corporati
Gencorp, Inc.	132,113	Masco Corporation
P A S Holdco LLC	2,072,752	Owens Corning, Inc.
Visioneering, Inc.	837,803	Texas Industries, Inc.
	-----	TruStile Doors, Inc.
	4,837,371	
	-----	
AUTOMOBILE - 4.63%		CHEMICAL, PLASTICS & RUBBER
Exide Corporation	253,750	Capital Specialty Plastics
Goodyear Tire & Rubber Co.	54,000	
Jason, Inc.	25,509	CONSUMER PRODUCTS - 9.61%
Johnson Controls, Inc.	535,334	Aero Holdings, Inc.
Nyloncraft, Inc.	348,215	Bravo Sports Holding Corpo
Ontario Drive & Gear Ltd.	287,141	Custom Engineered Wheels,
Qualis Automotive LLC	1,362,815	Eastman Kodak Co.
Titan International, Inc.	70,000	G F S I, Inc.
Transtar Holding Company	1,693,931	JohnsonDiversey, Inc.
United Components, Inc.	537,675	K N B Holdings Corporation
	-----	Manhattan Beachwear Holdin
	5,168,370	Momentum Holding Co.
	-----	R A J Manufacturing Holdin
BEVERAGE, DRUG & FOOD - 8.51%		Royal Baths Manufacturing
Eatem Holding Company	992,395	The Tranzonic Companies
Golden County Foods Holding, Inc.	1,102,304	Walls Industries, Inc.
Hospitality Mints Holding Company	1,109,473	

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

L H D Europe Holding, Inc.	12,825
Sabmiller PLC	2,199,934
Spartan Foods Holding Company	1,013,990
Specialty Commodities, Inc.	1,380,803
Waggin' Train Holdings LLC	1,682,469
	-----
	9,494,193
	-----
BROADCASTING & ENTERTAINMENT - 1.95%	
Citadel Broadcasting Corporation	13,750
CKX, Inc.	321,825
Sinclair Television Group, Inc.	211,000
Speedway Motorsports, Inc.	37,275
Time Warner Cable, Inc.	492,991
WPP Finance Corporation	528,698
Workplace Media Holding Co.	569,242
	-----
	2,174,781
	-----

CONTAINERS, PACKAGING & GL  
Flutes, Inc.  
Maverick Acquisition Compa  
P I I Holding Corporation  
Paradigm Packaging, Inc.  
Sealed Air Corporation  
Vitex Packaging Group, Inc

DISTRIBUTION - 1.92%  
Duncan Systems, Inc.  
F C X Holdings Corporation

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

March 31, 2010

(Unaudited)

INDUSTRY CLASSIFICATION: (Continued)	Fair Value/ Market Value
	-----
DIVERSIFIED/CONGLOMERATE, MANUFACTURING - 8.18%	
A H C Holdings Company, Inc.	\$ 1,499,664
Arrow Tru-Line Holdings, Inc.	803,977
C D N T, Inc.	776,186
Douglas Dynamics LLC	489,850
Headwaters, Inc.	46,969
K P I Holdings, Inc.	836,413
MEGTEC Holdings, Inc.	1,093,163
Milwaukee Gear Company	1,121,539
Nortek, Inc.	111,726
Northwest Mailing Services, Inc.	1,391,230
Postle Aluminum Company LLC	36,049
Truck Bodies & Equipment International	305,675
Xaloy Superior Holdings, Inc.	614,870
	-----
	9,127,311
	-----
DIVERSIFIED/CONGLOMERATE, SERVICE - 12.28%	
A S C Group, Inc.	1,357,838
A W X Holdings Corporation	766,284
ACCO Brands Corporation	49,163
Advanced Technologies Holdings	1,326,341
Affinia Group, Inc.	24,875
Apex Analytix Holding Corporation	1,042,898
C R H America, Inc.	532,601
Clough, Harbour and Associates	1,438,990
Crane Rental Corporation	1,303,064
Diversco, Inc./DHI Holdings, Inc.	1,041,010
Dwyer Group, Inc.	796,772

ELECTRONICS - 0.53%  
Connecticut Electric, Inc.  
Directed Electronics, Inc.

FINANCIAL SERVICES - 2.62%  
American General Finance C  
Citigroup, Inc.  
General Electric Capital C  
Goldman Sachs Group, Inc.  
Highgate Capital LLC  
International Lease Financ  
L B I Escrow Corporation  
Morgan Stanley

HEALTHCARE, EDUCATION & CH  
American Hospice Managemen  
F H S Holdings LLC  
Qwest Diagnostic, Inc.  
Synteract Holdings Corpora  
Touchstone Health Partners

HOME & OFFICE FURNISHINGS,  
AND DURABLE CONSUMER PRODU  
Connor Sport Court Interna

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

Equifax, Inc.	513,187	H M Holding Company
Insurance Claims Management, Inc.	120,459	Home Decor Holding Company
Iron Mountain, Inc.	523,750	Justrite Manufacturing Acq
Mail Communications Group, Inc.	713,135	K H O F Holdings, Inc.
Nesco Holdings Corporation	1,451,784	Monessen Holding Corporati
Pearlman Enterprises, Inc.	--	Stanton Carpet Holding Co.
Tyco International Group	704,990	Transpac Holdings Company
	-----	U M A Enterprises, Inc.
	13,707,141	U-Line Corporation
	-----	Wellborn Forest Holding Co

32

MassMutual Participation Investors

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2010  
 (Unaudited)

INDUSTRY CLASSIFICATION: (Continued)	Fair Value/ Market Value	
	-----	
LEISURE, AMUSEMENT, ENTERTAINMENT - 2.09%		NATURAL RESOURCES - 1.86%
International Game Technology	\$ 566,320	Appleton Papers, Inc.
Savage Sports Holding, Inc.	1,486,462	Conveo Corporation
Ticketmaster Entertainment, Inc.	278,750	CONSOL Energy, Inc.
	-----	Cytec Industries, Inc.
	2,331,532	Intrepid Potash, Inc.
	-----	The Valspar Corporation
MACHINERY - 9.20%		Verso Paper Holdings LLC
A S A P Industries LLC	661,876	
Davis-Standard LLC	1,426,938	OIL & GAS - 1.84%
E S P Holdco, Inc.	1,173,024	Coffeyville Resources LLC
K-Tek Holdings Corporation	1,464,208	International Offshore Ser
M V I Holding, Inc.	625,998	Total E & S, Inc.
Manitowoc Company, Inc.	99,750	
Navis Global	103,884	PHARMACEUTICALS - 1.31%
NetShape Technologies, Inc.	628,341	CorePharma LLC
Pacific Consolidated Holdings LLC	612,732	
Power Services Holding Company	1,261,197	PUBLISHING/PRINTING - 0.26%
R E I Delaware Holding, Inc.	1,368,009	Gannett Company, Inc.
Safety Speed Cut Manufacturing Company, Inc.	141,337	Sheridan Acquisition Corpo
Stewart & Stevenson LLC	707,434	
	-----	
	10,274,728	
	-----	
MEDICAL DEVICES/BIOTECH - 4.30%		
Coeur, Inc.	723,765	
E X C Acquisition Corporation	103,878	
ETEX Corporation	--	
MedSystems Holdings LLC	766,157	RETAIL STORES - 0.27%
MicroGroup, Inc.	1,208,526	Olympic Sales, Inc.
OakRiver Technology, Inc.	634,819	Rental Service Corporation
Precision Wire Holding Company	1,358,456	Rue21, Inc.
TherOX, Inc.	--	
	-----	
	4,795,601	

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

MINING, STEEL, IRON & NON-PRECIOUS METALS - 2.40%		TECHNOLOGY - 2.94%
Allegheny Technology, Inc.	581,761	Advanced Micro Devices, Inc.
T H I Acquisition, Inc.	1,080,000	Compucom Systems, Inc.
Teck Resources, Ltd.	36,750	Sencore Holding Company
Tube City IMS Corporation	983,750	Smart Source Holdings LLC
		ViaSystems, Inc.
	2,682,261	

MassMutual Participation Investors  
 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)  
 March 31, 2010  
 (Unaudited)

INDUSTRY CLASSIFICATION: (Continued)	Fair Value/ Market Value
TELECOMMUNICATIONS - 4.10%	
All Current Holding Company	\$ 656,282
Centurytel, Inc.	509,463
Intelsat Bermuda Ltd.	696,900
ITC^DeltaCom, Inc.	191,068
New Communications Holdings, Inc.	505,625
Spirit Capital Corporation	402,600
Sundance Investco LLC	--
T W Telecom Holdings, Inc.	10,175
Telecorps Holdings, Inc.	1,602,002
	4,574,115
TRANSPORTATION - 2.20%	
Avis Budget Car Rental LLC	41,800
NABCO, Inc.	165,441
Tangent Rail Corporation	2,252,542
	2,459,783
UTILITIES - 0.03%	
Markwest Energy Operating Co.	\$ 34,300
WASTE MANAGEMENT / POLLUTION - 1.62%	
Allied Waste NA	543,125
Terra Renewal LLC	1,262,189
Torrent Group Holdings, Inc.	--
	1,805,314
Total Investments - 108.43%	\$ 121,051,693

See Notes to Consolidated Financial Statements

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

MassMutual Participation Investors

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. HISTORY

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

The Trust is a diversified closed-end management investment company. Babson Capital Management LLC ("Babson Capital"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), acts as its investment adviser. The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of income, and capital appreciation. The Trust's principal investments are privately placed, below-investment grade, long-term debt obligations purchased directly from their issuers, which tend to be smaller companies. At least half of these investments normally include equity features such as common stock, warrants, conversion rights, or other equity features that provide the Trust with the opportunity to realize capital gains. The Trust will also invest in publicly traded debt securities (including high yield securities), again with an emphasis on those with equity features, and in convertible preferred stocks and, subject to certain limitations, readily marketable equity securities. Below-investment grade or high yield securities have predominantly speculative characteristics with respect to the capacity of the issuer to pay interest and repay capital. In addition, the Trust may temporarily invest in high quality, readily marketable securities.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Valuation of Investments:

Valuation of a security in the Trust's portfolio is made on the basis of the 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, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933 Act") or pursuant to a transaction that is exempt from registration under the 1933 Act.

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 its acquisition and at

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

least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities 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 a security held by the Trust; an estimate of the existence and the 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, as amended (the "1940 Act"). In making valuations, opinions of counsel may be relied upon as to whether or not securities are restricted securities and as to the legal requirements for public sale.

When market quotations are readily available for unrestricted securities of an issuer, restricted securities of the same class are generally valued at a discount from the market price of such unrestricted securities. The Trustees, however, consider all factors in fixing any discount, including the filing of a registration statement for such securities under the 1933 Act and any other developments which are likely to increase the probability that the securities may be publicly sold by the Trust without restriction.

The Trustees meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital. In making valuations,

-----  
35

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) (Unaudited)

the Trustees will consider reports by Babson Capital analyzing each portfolio security in accordance with the relevant factors referred to above. Babson Capital has agreed to provide such reports to the Trust at least quarterly.

The consolidated financial statements include private placement restricted securities valued at \$97,697,290 (87.51% of net assets) as of March 31, 2010 whose values have been estimated by the Trustees in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

The values for Rule 144A restricted securities and corporate public securities are stated at the last reported sales price or at prices based upon quotations obtained from brokers and dealers as of March 31, 2010, subject to discount where appropriate, and are approved by the Trustees.

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

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

In accordance with the authoritative guidance on fair value measurements and disclosures under accounting principles generally accepted in the United States of America ("U.S. GAAP"), the Trust discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: quoted prices in active markets for identical securities

Level 2: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3: significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

The inputs and methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used to value the Trust's net assets as of March 31, 2010:

ASSETS:	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
-----				
Restricted Securities				
Bonds	\$ 86,464,525	\$ --	\$ 4,202,113	\$82,262,412
Common Stock	7,822,943	--	--	7,822,943
Preferred Stock	3,738,173	--	--	3,738,173
Partnerships and LLCs	3,873,762	--	--	3,873,762
Public Securities				
Bonds	16,329,914	--	16,329,914	--
Common Stock	622,441	618,441	4,000	--
Preferred Stock	--	--	--	--
Short-term Securities	2,199,934	--	2,199,934	--
-----				
Total	\$121,051,692	\$ 618,441	\$22,735,961	\$97,697,290

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

Assets:	Beginning balance at 12/31/2009	Total gains or losses (realized/ unrealized)	Purchases, sales, issuances & settlements (net)	Transfers in and/or out of Level 3
-----				
Restricted Securities				
Bonds	\$81,465,949	\$ (685,514)	\$1,937,878	\$ (455,900)
Common Stock	7,767,378	(313,762)	369,326	--
Preferred Stock	3,468,130	268,791	1,252	--
Partnerships and LLCs	3,536,247	323,084	14,431	--
-----				

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

\$96,237,704

\$ (407,401)

\$2,322,887

\$ (455,900)

36

MassMutual Participation Investors  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(Unaudited)

## B. ACCOUNTING FOR INVESTMENTS:

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

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

## C. USE OF ESTIMATES:

The preparation of financial statements in conformity with 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:

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

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

The MMPI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust receiving any distributions from the MMPI Subsidiary Trust, all of the MMPI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. As of March 31, 2010, the MMPI Subsidiary Trust has accrued income tax expense of \$477.

Deferred tax assets and liabilities are recognized for the future tax



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

consequences attributable to differences between the financial statement carrying amounts of the existing assets and liabilities and their respective tax basis. As of March 31, 2010, the MMPI Subsidiary Trust has a deferred tax liability of \$76,488.

Beginning with the 2009 annual financial statements, the Trust recognizes a tax benefit from an uncertain position only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Trust measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Trust has evaluated and determined that the tax positions did not have a material effect on the Trust's financial position and results of operations for the three months ended March 31, 2010.

### E. DISTRIBUTIONS TO SHAREHOLDERS:

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

### F. EXPENSE REDUCTION:

Citibank, N.A. ("Citibank") serves as custodian to the Trust. Pursuant to the custodian agreement, Citibank receives a fee reduced by credits on cash balances the Trust maintains with Citibank. All credit balances, if any, used to reduce the Trust's custodian fees are reported as fees paid indirectly on the Statement of Operations. For the three months ended March 31, 2010, there were no credit balances used to reduce custodian fees.

## 3. INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES CONTRACT

### A. SERVICES:

Under an Investment Advisory and Administrative Services Contract (the "Contract") with the Trust, Babson Capital has agreed to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions

-----  
37

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Unaudited)

or investors relating to the Trust's investments. Under the Contract, Babson Capital also provides administration of the day-to-day operations of the Trust and provides the Trust with office space and office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services.

### B. FEE:

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

## 4. SENIOR SECURED INDEBTEDNESS

Edgar Filing: MASSMUTUAL PARTICIPATION INVESTORS - Form N-30D

MassMutual holds the Trust's \$12,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due December 13, 2011 and accrues interest at 5.80% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the three months ended March 31, 2010, the Trust incurred total interest expense on the Note of \$174,000.

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

5. PURCHASES AND SALES OF INVESTMENTS

	FOR THE THREE MONTHS ENDED 03/31/2010	
	COST OF INVESTMENTS ACQUIRED	PROCEEDS FROM SALES OR MATURITIES
	-----	-----
Corporate restricted securities	\$ 4,111,054	\$ 852,639
Corporate public securities	5,222,193	1,573,460

The aggregate cost of investments is substantially the same for financial reporting and federal income tax purposes as of March 31, 2010. The net unrealized depreciation of investments for financial reporting and federal tax purposes as of March 31, 2010 is \$18,761,439 and consists of \$ 10,198,296 appreciation and \$28,959,735 depreciation.

Net unrealized depreciation of investments on the Statement of Assets and Liabilities reflects the balance net of a deferred tax accrual of \$76,488 on net unrealized gains on the MMPI Subsidiary Trust.

This page is intentionally left blank

MassMutual Participation Investors

MEMBERS OF THE BOARD OF TRUSTEES

Donald Glickman

Robert E. Joyal

William J. Barrett

Michael H. Brown\*

Donald E. Benson\*

Dr. Corine T. Norgaard\*

Clifford M. Noreen

Martin T. Hart

Maleyne M. Syracuse

\*Member of the Audit Committee

OFFICERS

Clifford M. Noreen  
chairman

Michael L. Klofas  
President

James M. Roy  
Vice President & Chief  
Financial Officer

Patricia J. Walsh  
Vice President, Secretary  
& Chief Legal Officer

Jill A. Fields  
Vice President

DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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

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

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

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

Michael P. Hermsen  
Vice President

Mary Wilson Kibbe  
Vice President

Richard E. Spencer, II  
Vice President

Daniel J. Florence  
Treasurer

John T. Davitt, Jr.  
Comptroller

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

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

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

Any questions regarding the Plan should be addressed to Shareholder Financial Services, Inc., Transfer Agent for MassMutual Participation Investors' Dividend Reinvestment and Cash Purchase Plan, P.O. Box 173673, Denver, CO 80217-3673.

[LOGO]  
MassMutual  
Participation Investors

PI5075